

HOST COMMUNITY AGREEMENT

between

The TOWN OF UXBRIDGE, Massachusetts

and

Caroline's Cannabis, LLC

This Host Community Agreement ("Agreement") is entered into this 21st day of May, 2018 by and between Caroline's Cannabis, LLC., a Massachusetts limited liability company with a principal address of 640 Douglas Street, Uxbridge, Massachusetts ("Operator" or "establishment") and the Town of Uxbridge, a Massachusetts municipal corporation with a principal address of 21 S. Main Street Uxbridge, MA 01569 ("Town").

WHEREAS, Operator wishes to locate a Retail Marijuana Establishment, in Town, in accordance with regulations issued by the Commonwealth of Massachusetts Cannabis Control Commission (CCC), in accordance with 935 CMR 500: ADULT USE OF MARIJUANA; and

WHEREAS, Operator will be licensed to purchase and transport cannabis or marijuana product from Marijuana Establishments and to sell or otherwise transfer this product to Marijuana Establishments and to consumers in municipalities throughout the Commonwealth of Massachusetts; and

WHEREAS, Operator is seeking a license from the Commonwealth of Massachusetts Cannabis Control Commission to operate a Retail Marijuana Establishment in Town and

WHEREAS, Operator has paid a two hundred and fifty dollars (\$250) application fee.

NOW THEREFORE, in consideration of the above, the Operator offers and the Town accepts this Host Community Agreement as follows:

- **Community Impact Fee:** The Town anticipates that, as a result of the Operator's operation of the Retail Establishment, the Town will incur additional expenses and impacts upon its road system, law enforcement, inspectional services, permitting services, administrative services, public health services and education in addition to potential additional unforeseen impacts upon the Town. Accordingly, in order to mitigate the direct and indirect financial impact upon the Town and use of Town resources, the Operator agrees to annually pay a community impact fee to the Town, in the amounts and under the terms provided herein (The "Annual Payments")
- **Payment:** In the event that the Operator obtains a Final License, or such other license and/or approval as may be required, for the Retail Establishment in the Town by the CCC or such other state licensing or monitoring authority, and receive of gross sales of marijuana and marijuana infused products to consumers from the establishment, provided that if the Legislature raises the current three percent maximum amount of community impact payments that a marijuana retailer may pay to a municipality, Operator shall pay a community impact payment based on the highest percentage rate as allowed by the Legislature.
 - Operator shall make Annual Payments in an amount equal to three percent (3%) of the gross revenue from the Retail Marijuana Establishments annual cannabis or marijuana product sales, as long as the fee is reasonably related to the costs imposed upon the town by the operation of the marijuana establishment.
 - Annual Payments shall be made quarterly each calendar year on the 1st Tuesday of January, April, July and October, beginning on the first of such dates after the establishment has been permitted, occupy and operate said establishment.
 - Operator shall submit financial records to the Town within 30 days after payment of the Annual Payment with a certification of sales with respect to each such payment. Operator shall maintain its books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or

guidelines of the CCC.

- in the event Operator executes a Host Community Agreement with any other municipality that pays to said municipality a community impact fee greater than the community impact fee provided in Section 2 of this HCA, Operator shall pay to the Town the same community impact fee provided to said other municipality.
 - Should TOWN enter into an agreement with any other Marijuana Establishment for siting in TOWN at material terms more favorable to that Marijuana Establishment than the terms of this Agreement are to OPERATOR, this Agreement shall be modified to reflect those terms.
- Local Taxes. At all times during the Term of this Agreement, property, both real and personal, owned or operated by Operator shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by Company or by its landlord, and neither Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes.
 - Applicability of Host Agreement: The provisions of this Host Agreement apply only to the Operator's use of the facility to operate a Retail Marijuana Establishment in accordance with 935 CMR 500 by the CCC.
 - Security: Operator shall maintain security at the Facility at least in accordance with a security plan presented to the Municipality and approved by the Licensing Authority(ies). In addition, Company shall at all times comply with MA Law and Local Law regarding security of the Facility. Operator shall coordinate with the Uxbridge Police Department in the development and implementation of security measures, as required pursuant to applicable regulations and otherwise, including determining the placement of exterior security cameras. Operator will maintain a cooperative relationship with the Uxbridge Police Department, including but not limited to, periodic meetings to review operational concerns and communication to Uxbridge Police Department of any suspicious activities on the site.
- Operator shall promptly report the discovery of the following to the Uxbridge Police Department immediately: 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, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana or marijuana establishment 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.
- Local Hiring: To the extent permissible by law, OPERATOR commits to hiring local, qualified employees. In addition to the direct hiring, OPERATOR will work in good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Town area whenever otherwise comparable local vendors are available.
 - Improvements to Property: Operator shall make capital improvements to the property such that the property will match the look and feel of the Town, and be of construction standards at least at the quality of other nearby businesses and construction standards per state and local Building Code requirements.
 - Registration and Approvals Required: The obligations of Operator and the Town recited herein are specifically contingent upon the obtaining a final certificate of license for the operation of a Retail Marijuana Establishment from the CCC to operate in Town, and all necessary local permits and approvals.
 - Cooperation: Town shall work cooperatively and in good faith with Operator in securing prompt and efficient siting, planning, permitting and preparation for opening of the Retail Marijuana Establishment, provided that nothing herein shall require Town to waive any review and approval rights set forth in applicable statutes or regulations and provided further that Town shall retain the right to provide comments and recommendations regarding design and security.

- Compliance: Operator shall comply with all laws, rules, regulations and orders applicable to the operation of a Retail Marijuana Establishment, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approval required for the operation of a Retail Marijuana Establishment.

Operator shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorney's fees, arising out of Operator's breach of this Agreement or the gross negligence or misconduct of Operator, or Operator's agents or employees

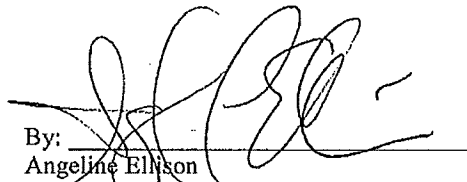
- Retention of Regulatory Authority: By entering into this Agreement, TOWN does not waive any enforcement rights or regulatory authority it currently holds over any business in TOWN.
- Notices: Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and or email.
- Severability: If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
- Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
- Entire Agreement: This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.
- Confidentiality: Operator may provide to the Town, certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "Confidential Information"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or at any time thereafter, disclose to any person or entity, any Confidential Information, except as may be required by court order or law. Operator shall mark each plan, page, or transmission with the word "Confidential."
- Modifications: Modifications to this Agreement may only be effective if made in writing and signed by both Parties.
- Headlines: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of the Agreement and shall not affect the interpretation of this Agreement.
- Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
- Notices. Except as otherwise provided herein, any notices given under this Agreement shall be addressed as follows:

To the Municipality:
Town of Uxbridge
c/o Town Manager
21 South Main Street
Uxbridge, MA 01569

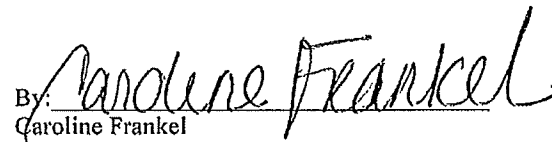
To the Operator:
Caroline's Cannabis
640 Douglas Street
Uxbridge, MA 01569

The following signature indicate that the parties herby agree to the terms set forth in this Agreement as per the date set forth on page 1 of this Agreement.

For the TOWN OF UXBRIDGE
MASSACHUSETTS:


By: Angeline Ellison
Its: Town Manager
As Authorized by Vote of the
Board of Selectmen on May 14, 2018

For CAROLINE'S CANNABIS, LLC.


By: Caroline Frankel
Its: President