

SIDE LETTER TO HOST COMMUNITY AGREEMENT

This side-letter agreement (“**Letter**”) is entered into this 27 day of June 2018 by and between Sanctuary Medicinals, Inc., a Massachusetts corporation located at 234 Taylor Street, Littleton, MA 01460 (the “**Company**”), and the Town of Littleton, a Massachusetts municipal corporation located at 37 Shattuck Street, Littleton, MA 01460 (the “**Town**”), acting by and through its Town Administrator, (the Company and the Town, collectively, the “**Parties**”).

RECITALS

WHEREAS, the Parties entered into a Host Community Agreement (the “**Agreement**”) on November 3, 2016, prior to the Massachusetts Legislature’s enactment of M.G.L. ch. 94G, which requires marijuana establishments and their respective host communities to enter into an agreement setting forth the conditions to have a marijuana establishment located within the host municipality;

WHEREAS, the Parties acknowledge that the Agreement is still in full force and effect;

WHEREAS, the Agreement deliberately contemplates the provision of additional community benefit payments made by the Company to the Town in the event that the Company begins to cultivate marijuana for purposes beyond those purposes specifically allowed by the Department of Public Health (the “**DPH**”) as of the execution of the Agreement;

WHEREAS, the Company desires to engage in the cultivation of marijuana for purposes beyond those purposes specifically allowed by DPH as of the execution of the Agreement pursuant to M.G.L. ch. 94G and the regulations promulgated at 935 CMR 500.000 *et seq.*; and

WHEREAS, the Parties want to ensure full compliance with M.G.L. ch. 94G and the regulations promulgated at 935 CMR 500.000 *et seq.* with respect to the execution of the Host Community Agreement Certification Form pursuant to 935 CMR 500.101(2)(b)(6).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and for the mutual promises set forth below, the Parties agree as follows:

AGREEMENT

1. **Adult-Use Annual Payment**. Pursuant to Clause 20 of the Agreement, in consideration of the costs imposed upon the municipality by the operation of the adult-use cultivation marijuana establishment (the “**Marijuana Establishment**”), the Company will pay the sum of TEN THOUSAND UNITED STATES DOLLARS (\$10,000.00 USD) per year to the Town (the “**Adult-Use Annual Payment**”). For purposes of clarity, the Adult-Use Annual Payment referenced herein is intended to be a certification and acknowledgement of Company’s obligations to the Town for a Marijuana Establishment under the Agreement, not an additional payment beyond the terms contemplated therein.
2. **Payment of Adult-Use Annual Payment**. Pursuant to Clause 2 of the Agreement, the Company shall pay the Town the Adult-Use Annual Payment in two (2) installments at

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six (6) month intervals commencing six (6) months from the date the Company receives a certificate of occupancy from the Littleton Building Inspector and any other permit or permission issued by the Town necessary to operate the Marijuana Establishment.

3. **Term**. For purposes of compliance with M.G.L. ch. 94G, the Parties agree that this Letter shall take effect on the date of execution and shall continue in effect until a final Adult-Use Payment is accepted by the Town for the Company's fifth (5th) year of operation of the Marijuana Establishment.
4. **Incorporation by Reference**. The Parties incorporate by reference Clauses 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, and 20 into this Letter, and hereby acknowledge and agree, to the extent applicable, that the terms "RMD" and "DPH" as they appear in such clauses shall be interpreted to include the terms Marijuana Establishment and the Cannabis Control Commission (the "CCC") as defined herein.
5. **Remainder of Agreement**. The Parties agree that the Agreement is in compliance with M.G.L. ch. 94G, and is in full force and effect, and that all payments called for in the Agreement including without limitation the "Annual Payment, shall be made by the Company to the Town. To whatever extent that any such payments are deemed to be not enforceable or not required, the Company agrees to voluntarily donate or gift such payment to the Town.

[Signature Page Follows]

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IN WITNESS WHEREOF, the Parties hereto have executed this Letter on the day and year first above written.

TOWN OF LITTLETON

By: Keith A. Bergman
Its: Town Administrator

SANCTUARY MEDICINALS, INC.

By: Jason A. Sidman
Its: Chief Executive Officer