

**TAX INCREMENT FINANCING AGREEMENT**  
**(Alternatively, the “Agreement”)**  
**BETWEEN**

**THE TOWN OF HOPKINTON**  
**(Alternatively, the “Town”)**

**LYKAN BIOSCIENCE HOLDINGS, LLC**  
**(Alternatively, the “Company”)**

**AND**

**SOUTHFIELD PROPERTIES III, LLC**  
**(Alternatively, the “Property Owner”)**

This Agreement is made as of this        day of May 2022 by and between the Town, the Company, and the Property Owner (together the “Parties”);

**WHEREAS** the Company is a Delaware limited liability company having its principal office at 97 South Street, Hopkinton, Massachusetts 01748 and is authorized to do business in Massachusetts; and

**WHEREAS** the Property Owner is a Delaware limited liability company having its principal office at 230 C East Main Street, Marlborough, Massachusetts 01752 and is authorized to do business in Massachusetts; and

**WHEREAS** the Town is a Massachusetts municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having its principal office at 18 Main Street, Hopkinton, Massachusetts 01748; and

**WHEREAS** the Property Owner owns property located in Hopkinton, Massachusetts which is shown on the Town Assessors Map R 29, Block 9, Lot A in connection with the Project as defined below (hereinafter, the “Property”) and which parcel is shown on the map attached to this Agreement as Exhibit A; and

**WHEREAS** the Property, which has a street address of 103, 105 & 107, 109 South Street, includes two buildings that the Property Owner plans to demolish; and

**WHEREAS** the Property Owner intends to lease the Property to the Company in connection with the Project as defined below; and

**WHEREAS** the Property Owner plans to construct an estimated 112,141 square foot manufacturing facility with a 54,000 square-foot parking area below, on the Property for the Company (hereinafter the “Project”); and

**WHEREAS** the Project investment at the Property is approximately \$90 million, including approximately \$70 million for hard and soft construction costs, approximately \$20 million paid for by the Property Owner and approximately \$50 million paid for by the Company; and approximately \$20 million for personal property paid for by the Company; and

**WHEREAS** the Company plans to create 125 new net permanent full-time jobs at the Property over a five (5) year period and maintain said jobs for the term of the Agreement; and

**WHEREAS** the Company intends to apply for status as a Local Incentive-Only Project under the Massachusetts Economic Development Incentive Program (“EDIP”); and

**WHEREAS** the Town supports increased economic development to provide additional jobs, expand business within Hopkinton and to develop a healthy economy and stronger tax base; and

**WHEREAS**, on February 15, 2022, the Hopkinton Select Board voted to recommend approval of this Agreement; and

**WHEREAS** on [REDACTED], 202\_, Hopkinton Annual Town Meeting voted to approve this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**A. THE TOWN'S OBLIGATIONS**

1. A Tax Increment Financing (“TIF”) exemption is hereby granted to the Company and the Property Owner by the Town in accordance with Massachusetts General Laws Chapter 23A, Sections 3A to 3F; Chapter 40, Section 59; and Chapter 59, Section 5, Clause Fifty-first and the applicable regulations thereunder. The exemption for real estate taxes shall be for a period of fourteen (14) years (the “Exemption Term”), commencing in the fiscal year following the date a certificate of occupancy has been issued to allow the Company to use and occupy the Project in its entirety; and shall provide an exemption from real estate taxation of the increased value created by improvements to the Property resulting from the Project (the “Increment”), as determined by the Town Assessor, as follows:

<b>Year</b>	<b>Exemption Percentage</b>
Year 1	95%
Year 2	95%
Year 3	95%
Year 4	90%
Year 5	85%
Year 6	80%
Year 7	75%
Year 8	70%
Year 9	65%
Year 10	60%
Year 11	55%
Year 12	50%
Year 13	45%
Year 14	40%

2. The anticipated base assessed valuation of the Property pursuant to this Agreement shall be the assessed valuation of the Property for FY2024.

3. The base assessed valuation shall be adjusted annually by an inflation factor to be calculated pursuant to Massachusetts General Laws Chapter 40, Section 59(iii).
4. Only the Increment shall be eligible for exemption from taxation, in accordance with the Exemption schedule in Section A.1, of this Agreement.
5. The Town shall provide an exemption from personal property taxation on all personal property situated on the Property commencing in the fiscal year following the date a certificate of occupancy has been issued to allow the Company to use and occupy the Project in its entirety, until the Company is designated by the Massachusetts Department of Revenue (“MassDOR”) as a manufacturer, according to the following Personal Property Exemption Schedule:

<b>Year</b>	<b>Exemption Percentage</b>
Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	100%
Year 7	100%

6. The Town is granting real estate and personal property tax exemptions in consideration of the Company’s and the Property Owner’s commitments and obligations set forth in Section B.1 to and including B.10 of this Agreement, below. The Town shall not be obligated to provide the real estate and personal property tax exemptions set forth in this Section A in the circumstances specified in Section B of this Agreement, below.
7. Commencing upon the signature date of a lease between Lykan and the Property Owner, the Property Owner shall guaranty that the Town shall receive no less than a total of \$64,973.85 comprised of real estate tax and/or voluntary payments in lieu of taxes for each fiscal year between the date of execution of this Agreement and the date of commencement of the TIF Exemption provided herein.”
8. The Property Owner and Company hereby waive the right to apply for an abatement pursuant to the relevant provisions of Massachusetts General Laws Chapter 59. Notwithstanding, the prior sentence, the Town, the Property Owner and the Company shall take such appropriate steps as they may mutually agree to ensure the accuracy of the annual assessment prior to the issuance of the Actual Tax Bill for that fiscal year.

**B. THE COMPANY and PROPERTY OWNER’S OBLIGATIONS**

1. The Property Owner shall construct an estimated 112,141 square foot manufacturing facility with a 54,000 square foot parking area below, on the Property for the Company.
2. The Project investment at the Property shall be approximately \$90 million, including approximately \$70 million for hard and soft construction costs; approximately \$20 million paid for by the Property Owner and approximately \$50 million paid for by the Company; and approximately \$20 million for personal property paid for by the Company.

3. The Company shall create 125 new net permanent full-time jobs within the Project over a five (5) year period (“New Jobs”) following commencement of the Exemption and shall maintain said jobs for the term of this Agreement. The Company shall create and maintain the New Jobs in accordance with the following schedule, on or before December 31 of each listed year:

Year	New Jobs Created	New Jobs Maintained
Year 1	25	25
Year 2	25	50
Year 3	20	70
Year 4	20	90
Year 5	35	125
Year 6	-	125
Year 7	-	125
Year 8	-	125
Year 9	-	125
Year 10	-	125
Year 11	-	125
Year 12	-	125
Year 13	-	125
Year 14	-	125

4. The Company and the Property Owner shall limit water usage at the Property to no more than 173,000 cubic feet per six-month billing period.
5. Before the issuance of a Certificate of Occupancy for the Project, the Company shall submit confirmation to the Town that the Company is a member of the MetroWest/495 Transportation Management Association (TMA). The TMA is a membership organization that provides sustainable transportation options for MetroWest commuters and supports its member organizations by offering alternative modes of transportation to help attract and retain employees in the MetroWest communities where they are based. The Company shall coordinate, as needed, with the Town and the MetroWest Regional Transit Authority (MWRTA) in future efforts to plan local bus routes in the vicinity of 103-109 South Street.
6. The Company shall consider, in its hiring for New Jobs, or in its hiring of for any other newly created, relocated, or replacement jobs at the Property, subject to applicable law and assuming equal qualifications, the hiring of Town residents. To facilitate employment of Town residents, the Company shall use commercially reasonable efforts to advertise all vacancies for New Jobs, or any other newly created, relocated, or replacement jobs at the Property, (a) in a newspaper of general circulation within the Town of Hopkinton; (b) on online job platforms as applicable; and (c) in appropriate medium (print, online, or other) focused specifically on reaching underrepresented communities. The Company shall be mindful of the Town’s commitment to diversity, equity, and inclusion and shall ensure that its hiring practices respect those values. The Company shall maintain records of its hiring practices including all such commercially reasonable efforts, and, upon request from the Town, shall produce such records for inspection within a reasonable time after such request.
7. Subject to applicable law and assuming equal qualification, the Company and the Property Owner shall use commercially reasonable efforts to hire qualified local contractors, vendors, and suppliers, in connection with the construction and operation of the Project. “Local” shall mean a person or entity

headquartered or operating out of Hopkinton. At a minimum, the Company shall advertise in local newspapers and online procurement sites encouraging such qualified local contractors, vendors and suppliers to submit bids and proposals to the Company whenever advertisements are otherwise placed by the Company for such bids and proposals. The Company shall further use commercially reasonable efforts in its advertisement and procurement practices to encourage submissions from certified minority-owned enterprises. The Company shall be mindful of the Town's commitment to diversity, equity, and inclusion and shall ensure that its hiring practices respect those values.

8. The Company shall consult with the Hopkinton Public Schools Superintendent to create a program of internships at the Company for Hopkinton residents, including internships for students enrolled in the Hopkinton Public Schools and internships for students enrolled at local colleges. Implementation of the program of internships shall commence no later than the issuance of a temporary or permanent Certificate of Occupancy for the Project or any portion thereof. In creating such a program, the Company shall consult with the Superintendent to ensure that a portion of the available internships are reserved for members of underrepresented communities and reflect the Town's commitment to diversity, equity, and inclusion.
9. The Company shall substantially comply with the job creation plans outlined in the Employment & Job Creation section, and construction plans outlined in the Project Timeline section, of the EDIP Local Incentive-Only Application to be submitted to the State in connection with the request for the TIF exemption.
10. The Company shall submit an annual report pursuant to Massachusetts General Laws Chapter 23A, Section 3F to the Massachusetts Economic Assistance Coordinating Council ("EACC") through the Commonwealth's on-line portal for each year of the Application designation, with a copy submitted to the Town. The annual report shall include the number of jobs created, and value of the Project capital investments and other related items with respect to the Project annually and on a cumulative basis. The Company shall also submit a report as required by Massachusetts General Laws Chapter 40, Section 59(viii) to the Town and the EACC.
11. Notwithstanding the provisions of Section A of this Agreement, if the Company fails to create and maintain the New Jobs required by Section B.3 of this Agreement on or before December 31 in any fiscal year specified in the schedule set forth in that Section or otherwise breaches or defaults in any form or fashion its obligations under Sections B.1 to and including B.10 of this Agreement, the exemptions from real and personal property taxation shall be zero percent (0%) for the next following fiscal year. The exemptions from real and personal property taxation shall not revert to the schedule set forth in Sections A.1 and A.5 of this Agreement in any subsequent fiscal year unless the Company fully complies with Sections B.1 to and including B.11 of this Agreement on or before December 31 of each year listed in Section B.3 and otherwise fully curing any existing or prior breach or default of the same.
12. In addition to the provisions of Section B.11, if the Company or the Property Owner fail to meet the obligations specified in Sections B.1 to and including B.10 of this Agreement, the Town, acting by and through its Select Board, may take action to notify the EACC and/or request the EACC to revoke approval of this Agreement. Upon the EACC revocation of its approval of this Agreement, the Town shall discontinue the Tax Increment Financing benefits provided to the Company, and the Property Owner, commencing in the fiscal year in which approval of the Agreement is revoked, or if such benefits have already been received by the Company for the fiscal year in which approval of the

Agreement was revoked, commencing in the first full fiscal year after approval of the Agreement has been revoked.

13. Prior to taking any action to request revocation of this Agreement by the EACC pursuant to Section B.11 or B.12 of this Agreement, the Town shall give written notice of the alleged material default to the Company and the Property Owner and provide the Company and Property Owner an opportunity to meet with Hopkinton officials having the relevant authority under this Agreement to discuss a remedy for the alleged default. The Company and Property Owner shall have sixty (60) days from the receipt of such written notice to respond to the Town regarding any alleged default and one hundred twenty (120) days from the receipt of such written notice to remedy such alleged default, or, with respect to alleged defaults which by mutual agreement of the Parties cannot be remedied within such one hundred twenty (120) day period, within such additional period of time as is required to reasonably remedy such alleged default, provided the Company and Property Owner exercise due diligence in the remedying of such alleged default.
14. If the Company plans to move from the Property during the Exemption Term, the Company shall give the Town thirty (30) days advance written notice.

### **C. OTHER CONSIDERATIONS**

1. Pursuant to Massachusetts General Laws Chapter 40, Section 59 (v), this Agreement shall be binding upon the Company, its successors and assigns, the Property Owner, and subsequent owners of the Property.
2. If the Company ceases to be an operating entity during the term of this Agreement and has not conveyed its assets or ownership to another qualified company that continues to operate on the Property, and has not assigned its rights and obligations under this Agreement as set forth in Section C.1 of this Agreement to said successor company, then the Town shall be under no obligation to continue any tax exemption provided for by this Agreement.
3. The matters described in this Agreement as obligations of the Company and Property Owner are only conditions to the eligibility for tax exemptions under this Agreement and do not create any other enforceable obligation or covenants of the Company and Property Owner. The Town shall have no remedies or recourse for breach of or default under this Agreement beyond the provisions of Sections B.11 to and including B.13 of this Agreement.
4. This Agreement is subject to Massachusetts General Laws Chapter 23A, Section 3A to 3F, Chapter 40, Section 59, and Chapter 59, Section 5, Clause 51, and the applicable regulations thereunder.
5. The Property Owner shall pass on all real estate tax savings resulting from this Agreement to the Company. The Property Owner and Company shall provide the Town with a Notice of Lease setting forth the major provisions of the lease on or before December 31, 2022.
6. This Agreement's validity, interpretation, construction, performance, and enforcement shall be governed by Massachusetts law, without regard to Massachusetts' choice-of-law or conflicts-of-law principles or rules. Any claim or action arising under or relating to this Agreement may be brought only in Middlesex County Superior Court, and the parties hereby agree that venue is proper, and shall be proper, only in that forum.

7. If any provision of this Agreement shall be found invalid for any reason, such invalidity shall be construed as narrowly as possible, and the balance of the contract shall be deemed to be affected to the minimum extent necessary to provide to the parties substantially the benefits set forth in this Agreement.
8. All notices or other communications required or permitted by this Agreement or by law shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or sent for overnight delivery by a nationally recognized courier such as Federal Express, to the addresses listed below or at such other address as may be specified by a party in writing and served upon the other in accordance with this section. Such notices shall be deemed given when delivered or when delivery is refused.

Company: Lykan Bioscience Holdings, LLC  
97 South Street  
Hopkinton, MA 01748  
Attn: Patrick Lucy, President & CEO

Property Owner: Southfield Properties III, LLC  
230 C East Main Street  
Marlborough, Massachusetts 01752  
Attn: Harold Nahigian, Manager

Town: Town of Hopkinton  
18 Main Street  
Hopkinton, Massachusetts 01748  
Attn: Norman Khumalo, Town Manager

With a copy to:  
Hopkinton Town Counsel  
Miyares and Harrington LLP  
40 Grove Street, Suite #190  
Wellesley, MA 02482

Any party may change its address for notice from time to time by serving notice on the other party as provided above. The date of service of any notice served by mail shall be the date upon which such notice is deposited in a post office of the United States Postal Service.

9. If and to the extent that the Company or the Property Owner is directly prevented from performing an obligation under this Agreement by an event of *force majeure*, the Company shall not receive the Exemption specified in this Agreement, but shall otherwise be excused from performing that obligation and shall not be liable in damages or otherwise for the time period that the *force majeure* event directly prevents such performance, and the parties may also negotiate in good faith with respect to appropriate modifications to the provisions of this Agreement. If and to the extent that the Town is directly prevented from performing an obligation under this Agreement by an event of *force majeure*, the Company and Property Owner shall be excused from performing that obligation and shall not be liable in damages or otherwise for the time period that the *force majeure* event directly prevents such performance, and the parties instead shall negotiate in good faith with respect to appropriate modifications to the provisions of this Agreement. The term "*force majeure*" shall mean only the

supervening causes described here, each of which is beyond the reasonable control of the affected party: fire, earthquake, floods, explosion, war, terrorism, riots, mob violence, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, laws or orders of governmental or military authorities, epidemic or pandemic, or any other cause similar to the foregoing, and shall explicitly exclude changed market conditions.

10. This Agreement is subject to approval by the EACC pursuant to Section 3E of Chapter 23A and the applicable regulations thereunder and this Agreement cannot be modified unless approved by the EACC.
11. This Agreement is the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement may not be modified or amended except in a written instrument signed by the parties.
12. Any party's failure to enforce the provisions of this Agreement strictly shall not be construed as a waiver of any obligation in this Agreement.
13. There are no third-party beneficiaries to this Agreement.
14. This Agreement may be executed in separate counterparts, each of which when so executed shall be an original; but all of such counterparts shall together constitute but one and the same instrument.

**Signatures Follow on Next Page**  
*[remainder of page intentionally blank]*



**WITNESSETH** the execution and delivery of this Agreement by the Town, the Company and the Property Owner, as an instrument under seal, as of the date first above written.

**AGREED TO:**

**Lykan Bioscience Holdings, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date of Signature

**Southfield Properties III, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date of Signature

**Town of Hopkinton**

\_\_\_\_\_  
Irfan Nasrullah  
Select Board, Chairman

\_\_\_\_\_  
Amy Ritterbusch  
Select Board, Vice Chair

\_\_\_\_\_  
Brendan Tedstone  
Select Board, Clerk

\_\_\_\_\_  
Mary Jo LaFreniere  
Select Board, Member

\_\_\_\_\_  
Muriel Kramer  
Select Board, Member

\_\_\_\_\_  
Date of Signature

**EXHIBIT A  
PROPERTY MAP**

