

HOST COMMUNITY AGREEMENT

FACILITY IN THE CITY OF GREENFIELD

This Agreement entered into this 27 day of ~~October~~ ^{December}, 2022 by and between the City of Greenfield, acting by and through its Mayor, with a principal address at 14 Court Square, Greenfield, MA (hereinafter the "City") and 15 Arch, LLC, with a principal address at 15 Arch Street, Greenfield, MA (hereinafter "Company"). (City and Company collectively referred to hereinafter as the "Parties").

RECITALS

WHEREAS, Company currently seeks to obtain a license from the Commonwealth to operate an Indoor Cultivation facility ("ME") at 15 Arch Street, Greenfield, MA 01301 as provided in MGL Chapter 94G Section 3 (hereinafter the "Facility") in the City in accordance with the laws of the Commonwealth of Massachusetts and those of the City;

WHEREAS, Company intends to pay all local taxes attributable to its operation, including real estate taxes on the space within which it is located;

WHEREAS, Company desires to be a responsible corporate citizen and contributing member 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 typical economic development benefits attributable with similar new manufacturing and retail concerns locating in the City; and

WHEREAS, the City believes that the Company's operation of an ME facility at the Facility location, coupled with its contributions to the City, as set forth herein, would advance the public good.

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. **Licensure.** All rights and obligations under this Agreement are expressly conditioned upon the Company's receipt of a license from the Cannabis Control Commission (the "CCC") allowing the operation of its Facility within the City and upon Company's obtaining all local approvals for the same. If Company fails to secure licensure from the CCC or any required local approvals, this Agreement shall be null and void.
2. **Compliance and Cooperation.** Company shall comply with all state laws, regulations and orders applicable to MEs, and all municipal laws, bylaws, regulations and orders applicable to the operation of MEs in the City, such provisions being incorporated herein by reference.

- a. Company shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of its Facility and shall work cooperatively and in good faith with the City in securing the prompt and efficient siting, planning, permitting and preparation for opening of its Facility.
 - b. Company agrees and understands that the City's execution of this Agreement does not constitute a local approval under the City's zoning bylaws or any other the City ordinance or regulation and, thus, shall not: (i) require or obligate the City or its departments or boards to issue such permits and approvals as may be necessary for the Company to operate its Facility in the City; (ii) affect, limit, or control the authority of the City's boards, commissions, councils, and departments from carrying out their respective powers and duties to decide upon and to issue, deny, or otherwise act on applicable permits and other approvals under the laws and regulations of the Commonwealth, or the City's ordinances and regulations; or (iii) cause the City to refrain from enforcement action against the Company for violations of the terms and conditions of such permits and approvals, or such laws, regulations and/or ordinances. Company agrees and understands that some requirements contained herein may be modified by the review and decision of a City department or board. In the case of any inconsistency between this Agreement and any term and condition imposed by a City department, Board or Commission, the more restrictive requirement or term shall control.
 - c. Company shall reimburse the City the cost of a peer review of any aspect of the Company's application. The Company will help the City to identify an entity qualified to conduct such a peer review, at the City's request. Any peer review shall only be conducted one time for the City and shall be considered to be part of the Special Permit process. The City agrees this peer review may meet all the requirements or requests of any other Department, Committee, Board, or any other t City entity that may seek additional information.
3. **Community Impact Fee.** For the operation of its Facility, the Company shall pay a community impact fee as allowed by M.G.L. c. 94G, § 3 (d)(2), as amended by Chapter 180 of the Acts of 2022 ("Impact Fee") in the amounts and under the terms provided herein. Within thirty business days after the first renewal of Company's final license to operate the Facility, and annually thereafter, Company shall make a payment to the City in the amount of the Impact Fee. Pursuant to G.L. c. 94G, §3(d)(iii), the City shall annually document any cost imposed upon it by the specific operation of the Facility as an ME and shall transmit such documentation to the Company not later than fourteen days after the date of each annual renewal of the final license to operate the Facility, with a calculation of the documented impact costs to the City ("Documented Costs"). The Impact Fee shall equal the Documented Costs; provided, however, no Impact Fee shall exceed 3% of gross sales of marijuana or marijuana infused products at the Facility. In no event shall any Impact Fee be due or paid following the 8th year of the Facility's licensed operations in the City
 4. **Impact Fees as Other Municipal Charges.** Impact Fees are expressly included as "other municipal charges" pursuant to M.G.L. c. 40, § 57. A City licensing authority may

deny, revoke or suspend any license or permit, including renewals and transfers, of Company or agent thereof if Company's name appears on a list furnished to the licensing authority from the City Collector of individuals delinquent on their taxes and/or water bills. Written notice must be given to Company by the Tax Collector, as required by applicable provision of law, and Company must be given the opportunity for a hearing not earlier than 14 days after said notice.

5. **Application of Impact Fee.** Company expressly acknowledges and agrees that the City is under no obligation to use the payments made hereunder in any particular manner or for any particular purpose.
6. **Financial Records of Company.** Company shall maintain its books, financial records and other compilations of data pertinent to the requirements of this Agreement in accordance with standard accounting practices and the regulations or guidelines of the CCC. All records shall be retained for a period of at least seven (7) years.
7. **Payment as Condition of Operation, Default and Remedy; Company's Statutory Right.** Payment as set forth above is necessary for Company's continued operation in the City. Failure to make the required payments as scheduled and a failure to cure the failure to pay within 10 days of the due date, shall constitute default of this Agreement and may serve as cause for the City's immediate review, upon 10 business days' notice to Company by the Mayor. Company shall be in default of this Agreement if any of the following occur:
 - a. The Company fails to make the required payments pursuant to Paragraph 3 above, and such failure is not cured within ten (10) business days of written notification from the City; or
 - b. The Company breaches any other provision of this Agreement, and such failure is not cured within thirty (30) days of written notification from the City.

As remedy for any such default, the City may, among other remedies, revoke or limit the permission of the Company to operate in the City and to issue an order to cease and desist with all operations upon such written notice from the City. Payment means any payment paid from the Company to the City pursuant to the terms of this Agreement. The City's costs of enforcing against any such default, including the City's attorneys' fees, shall be paid by the Company.

Notwithstanding anything to the contrary contained in this Paragraph 7, the Company's obligation to pay an Impact Fee shall be suspended during the pendency of the Company's timely and correct exercise of its statutory right to challenge the amount of that Impact Fee pursuant to M.G.L. c. 94G, §3(d)(2)(iii), as amended by Chapter 180 of the Acts of 2022 (each, a "Fee Challenge") until the settlement, withdrawal or final judgment of that Fee Challenge (each, a "Fee Challenge Result"). Within 5 (five) days of a Fee Challenge Result the Company shall pay that Impact Fee as the same may have been adjusted by that Fee Challenge Result.

8. **Reporting.** Company shall provide the City with all copies of its publicly available filings to the CCC, Secretary of the Commonwealth's Corporations Division, and the Massachusetts Department of Revenue, within a reasonable time, upon request.
9. **Confidentiality.** To the extent permitted by M.G.L. c. 66, § 10, (the "Public Records Law") the Company may provide to the City certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Company, its affiliates and operations (collectively, the "Confidential Information"). The City (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 thereafter, disclose any Confidential Information to any person or entity, except as may be required by the Massachusetts Public Records Law or order of the Supervisor of Records thereunder; or as may be required by a court order or other applicable law. To the extent, the address of Facility's retail facilities and any documents describing, depicting or otherwise outlining a licensee's security schematics or global positioning system coordinates, physical layout, as well as policies, procedures, practices, and plans pertaining to security are exempt from M.G.L. c. 66, the City (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 thereafter, disclose said information to any person or entity, except as may be required by the Massachusetts Public Records Law or order of the Supervisor of Records thereunder; or as may be required by a court order or other applicable law.
10. **Local Taxes.** At all times during the Term of this Agreement, property, both real and personal, owned or operated by Company 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.
11. **Water and Sewer Service.** Company anticipates that it will make annual purchases of water and sewer service from local government agencies. Company will pay any and all fees associated with the local permitting of the Facility.
12. **Community Support and Additional Obligations.**
 - a. **Local Vendors** – to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company will make a good faith effort in a legal and non-discriminatory manner to give priority to local businesses and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility. Company shall use good faith efforts to ensure that at least twenty-five percent (25%) of the vendors and/or contractors utilized by the Facility will be based in the City.
 - b. **Employment/Salaries** – except for senior management and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company shall use good faith efforts to ensure that at least twenty-five percent (25%) of the employees of the Facility will be City residents.

- c. Company shall provide the City with annual reports with its annual payments indicating the percentages of vendors and employees in accordance with paragraphs (a) and (b) above.
 - d. The Company shall make available to the City, upon request and for review at the Facility, of all reports submitted to the CCC regarding operations at the Facility.
13. **Support.** The City agrees to submit to the CCC all documentation and information required by the CCC from the City for the Company to obtain approval to operate an Indoor Cultivation Marijuana Establishment at the Facility. The City agrees to support Company's application with the CCC but makes no representation or promise that it will act on any other license or permit request in any particular way other than by the City's normal and regular course of conduct and in accordance with their rules and regulations and any statutory guidelines governing them. The City agrees to use best effort to work with Company, if approved, to help advise Company on their community support and employee outreach programs.
14. **Security.** Company shall maintain security at the Facility at least in accordance with the security plan presented to the City and approved by the CCC. In addition, Company 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 dispensary agents to produce their Agent Registration Card to law enforcement upon request.

Company shall promptly report the discovery of the following to City 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.

15. **On-Site Consumption.** Company agrees, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana and marijuana-infused products at the Facility unless at some later date Company receives a license from the CCC, and all necessary and appropriate licenses and permissions from the City and all other relevant governing bodies allowing same.
16. **Term and Termination.** This Agreement shall take effect on the day above written, subject to the contingencies noted herein. This agreement shall continue in effect for

eight (8) years from the date of this Agreement. In the event Company no longer does business in the City or in any way loses or has its license revoked by the State, this Agreement shall become null and void. The parties may negotiate an extension of the term of this Agreement, but Company shall not be required to cease operations at the termination of this Agreement, unless for Just Cause (Just Cause shall be defined as: Company purposefully or negligently violates any laws of the Commonwealth with respect to the operation of the Cultivation Facility, and such violation remains uncured for 30 days; Company fails to make payment to the City as required under this Agreement, and such failure remains uncured following the applicable cure period herein).

17. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Commonwealth of Massachusetts and venue for any dispute hereunder shall be in the courts of Franklin County.
18. **Amendments/Waiver.** Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.
19. **Severability.** If any term or condition of the 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.
20. **Successors/Assigns.** This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the City nor Company shall assign or transfer any interest in the Agreement without the written consent of the other, such written consent not to be unreasonably withheld.
21. **Entire Agreement.** This Agreement 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.
22. **Notices.** Except as otherwise provided herein, any notices given under this Agreement shall be addressed as follows:

To City: Roxann Wedegartner, Mayor
 Office of the Mayor
 14 Court Square, Room 201
 Greenfield, MA 01301

To Licensee: Jay Hadden, President
 15 Arch, LLC

15 Arch Street, Suite 2
Greenfield, MA 01301

Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Post Office, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight courier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first-class mail on such date.

23. **Third-Parties.** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the City or the Company.

* * * SIGNATURES ON FOLLOWING PAGE * * *

IN WITNESS WHEREOF, the parties have hereafter set faith their hand as of the date first above written.


CITY OF GREENFIELD


Roxann Wedegartner
Mayor


Witness

15 ARCH, LLC


Jay Hadden, President


Witness