

## HOST COMMUNITY AGREEMENT

This Host Community Agreement (the “Agreement”) is entered into this \_\_ day of July 2020 (the “Effective Date”) by and between the Town of Hopkinton, acting by and through its Select Board, with a principal address of 18 Main Street, Hopkinton, MA 01748 (the “Town”) and ATOZ Laboratories, Inc. a Massachusetts corporation with a principal office address of 400 Donald Lynch Boulevard, Suite 102, Marlborough, MA 01752 (the “Company”). The Town and the Company are hereinafter collectively referred to hereafter as the “Parties”.

WHEREAS, the Company has leased the property located at 100 South Street, Hopkinton, MA (“the Premises”);

WHEREAS, the Company proposes to seek a license from the Cannabis Control Commission to operate an Independent Testing Laboratory within the meaning of 935 CMR 500.002 to conduct a research and quality control testing laboratory qualified to test cannabis or marijuana in compliance with M.G.L. c.94G, §15 and 935 CMR 500.160 (the “Facility”) at the Premises:

WHEREAS, M.G.L. c. 94G, §3(d) requires that:

[a] marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center. An agreement between a marijuana establishment or a medical marijuana treatment center and a host community may include a community impact fee for the host community: provided, however, that the community impact fee shall be reasonably related to the costs imposed upon the city by the operation of the marijuana establishment or medical marijuana treatment center and shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or medical marijuana treatment center or be effective for longer than 5 years. Any cost to a city or town imposed by the operation of a marijuana establishment or medical marijuana treatment center shall be documented and considered a public record as defined by clause Twenty-sixth of section 7 of chapter 4;

WHEREAS, M.G.L. c. 94G, §12(h) requires that “[e]ach licensee shall file an emergency response plan with the fire department and police department of the host community”;

WHEREAS, the Company and the Town each enter into this Agreement with the intention of being bound by its terms such that this Agreement shall be fully enforceable by a Court of competent jurisdiction;

WHEREAS, the Company and the Town intend by this Agreement to satisfy the provisions of M.G.L. c.94G, §3(d) applicable to the operation of the Facility in Hopkinton.

NOW THEREFORE, in accordance with M.G.L. c. 94G and the regulations of the Cannabis Control Commission promulgated thereunder as 935 CMR 500.00 *et seq.*, the Company agrees as follows:

1. **Representation as to Leasehold.** The Company represents that the use of the Premises for its Facility is expressly permitted under the terms of its lease of the Premises.
2. **Compliance.** The Company shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of an Independent Testing Laboratory in Hopkinton and shall comply with all laws, rules, bylaws or ordinances, regulations and orders applicable to the operation of an Independent Testing Laboratory, such provisions being incorporated herein by reference, including, but not limited to: M.G.L. c. 94G and the regulations of the Cannabis Control Commission as the same may be amended from time to time; and the Town of Hopkinton General Bylaws, Sign Bylaws, and Zoning Bylaws, as may be amended from time to time.
3. **Community Contributions.**
  - a. Dr. Abdullatif Zaouk, President of the Company and signatory of this Agreement shall be held separately and individually responsible for the fulfillment of this Section 3.a. Subject to 935 CMR 500, Dr. Zaouk shall provide qualified staff from the Company and/or other business entities under Dr. Zaouk's control to participate in Town-sponsored educational programs on public health and drug abuse prevention. Dr. Zaouk and such qualified staff shall further participate in and be a resource to the STEM programs operating within the public schools located in the Town of Hopkinton. Dr. Zaouk agrees to make such qualified staff available, either in person or remotely as may be elected by the Town, upon reasonable notice and at reasonable times to the schools and community service projects. Participation may include community service, working with faculty on programs, presentations to students, and working one on one with specific students on scientific projects. Dr. Zaouk agrees to provide forty hours annually to meet its obligation under this section.
  - b. Based on the Company's representations to the Town, the parties do not presently anticipate that the Facility will have impacts on the Town that are different in kind from other office or laboratory uses and, based on those representations, the Company shall not be required to pay a community impact fee to the Town. Notwithstanding the foregoing, if the Company's operation of the Facility results in impacts and/or costs to the Town, then the Parties shall promptly and in good faith enter into negotiations to establish a community impact fee that is reasonably related to such impacts and/or costs, said negotiation to begin no later than thirty (30) days after delivery of notice

by the Town to the Company.

4. **Local Vendors and Employment:**

- a. To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Company when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town of Hopkinton residents.
- b. Except for senior management, and to the extent such practice and its implementation are consistent with federal, state and municipal laws and regulations, the Company shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire qualified residents of Hopkinton as employees and to encourage diverse hiring at the Facility.

5. **Capital Improvements.** If the Company makes any capital improvements to the site at which the Facility is located, such improvements shall be 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. If any capital improvements are made to the Facility by the Company or the Owner, the Company shall use best efforts such that these improvements reflect the standards established in the Town's climate change adaptation plan.

6. **Community Support and Additional Obligations.**

- a. Social Justice and Equity – The Company is committed to creating a diverse workforce by utilizing hiring practices that do not discriminate against women, minorities, veterans, persons with disabilities and LGBTQ+ individuals. Furthermore, the Company recognizes that it has a responsibility to contribute to areas of disproportionate impact and help those disproportionately harmed by marijuana prohibition. The Company shall submit annually to the Town, not later than January 30 of each calendar year, a report describing how it has addressed the goals of this section, and the measures it has implemented to meet or exceed Massachusetts regulations concerning licensees' efforts to combat disproportionate impact.
- b. Reporting - The Company shall, at least annually, provide the Town with copies of all reports submitted to the Cannabis Control Commission and Massachusetts Department of Revenue and all other public agencies to whom licensing applications or supporting information must be submitted regarding Company's operations at the Facility.
- c. In-kind Testing Services – In an effort to show goodwill to the surrounding community and to demonstrate its support for local law enforcement

initiatives, If approved by the Cannabis Control Commission the Company will provide the Town with analytical laboratory services at no cost to the Town, which services will include providing analytical testing of cannabis and cannabis-infused products at the request of the Town's law enforcement in which such substances are subject to investigation, providing expert advice on the cannabis industry and educational support in the form of workshops and compliance classroom events. The precise nature of the services provided to the Town may change over the course of the term (defined herein), but in no event shall the value of the complimentary analytical laboratory services exceed \$8,000 annually in gross value. The Town understands and acknowledges that the Company's agreement to provide complimentary analytical laboratory services is contingent upon the Company's receipt of licensure from the Cannabis Control Commission to operate an Independent Testing Laboratory, and local approvals for the same. If the Company does not receive licensure from the Cannabis Control Commission to operate an Independent Testing Laboratory, the Town acknowledges and agrees that the value cap on the services to be performed under this Agreement may be reduced. If any term or condition deemed unlawful concerns the right of the Town to receive such services, the parties agree that such services shall constitute a grant or donation for the purposes set forth herein.

**7. Corporate Organization.**

- a. The corporate officers of the Company as of the date of execution of this Agreement are set forth on Schedule A, attached hereto.
- b. Upon request of the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 935 CMR 500.030 or such other state regulations, as the case may be, of the person proposed to act as on-site Manager of the Facility. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town shall consider such request for approval within thirty days following the submittal to determine, in consultation with the Police Chief, if the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned, or delayed. This approval process shall also apply to any change of on-site manager.

8. **Standard Operating Procedures.** The Company will submit to the Town for its review, prior to issuance of a final certificate of occupancy, a copy of its standard operating procedures, and any amendments or revisions thereto. Standard operating procedures shall be defined as the Company's compliance summaries submitted to the Cannabis Control Commission for licensure as an Independent Testing Laboratory in accordance with 935 CMR 500 101(1)(c)(8). All standard operating procedures shall remain confidential and not be released as a public document to the extent possible.

9. **Hours of Operation.** The Company's hours of operation shall be limited to 6:00 a.m. to 12:00 a.m. seven days per week. The Town acknowledges that the Company requires 24-hour access to the Premises in order to service the equipment.

10. **Real and Personal Property Taxes.** At all times during the term of this Agreement, the Company shall be organized in a manner such that it is subject to real and personal property taxes. At all times during the Term of this Agreement, all property, both real and personal, owned or leased by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord. Nothing in this paragraph shall prohibit the Company from seeking an abatement due to a claim of an excess valuation.

11. **Non-Opposition to Application.**

- a. The Town agrees to submit to the Cannabis Control Commission documentation that it has entered into this Host Community Agreement as of the date identified in paragraph 1 above, and that the Facility is generally permissible at the Premises subject to the Company obtaining all necessary local licenses, permits and approvals. The Town agrees to not oppose the application to the Cannabis Control Commission but makes no representation or promise that it will act on any other license, permit or approval request in any particular way other than by the Town's normal and regular course of conduct and in accordance with its bylaws, rules and regulations and any statutory guidelines governing them.
- b. This Agreement shall not affect, limit or control the authority of any Town boards, commissions and departments to carry out their respective powers and duties to decide upon and to issue or deny applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town or applicable regulations of those boards, commissions and departments, or to enforce said statutes, bylaws and regulations. The Town, by entering into this Agreement, is not required or obligated to issue permits and approvals as may be necessary for the Company to operate its Facility in Hopkinton, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws and regulations.

12. **Security.**

- a. The Company shall maintain security at the Facility in accordance with a security plan approved by the Cannabis Control Commission and presented to the Town for its review. The Town's Police Chief and Fire Chief may, for good cause, require the Company to supplement this security plan, provided that no conflict with any requirement of the Cannabis Control Commission thereby results. In addition, the Company shall at all times comply with state and local requirements regarding security of the Facility which compliance shall include, but not be limited to compliance with the security

and traffic management plan and emergency response plan and access to surveillance operations; and requiring independent testing lab agents to produce their agent ID card to law enforcement upon request. Once the Company receives a Provisional Licensure from the Massachusetts Cannabis Control Commission to operate an Independent Testing Laboratory the Town understands and agrees that entry to the facility must be on an “escorted access only” basis, as set forth in 935CMR 500.110(4) in any designated limited access area. Company shall provide Town with 24 hour / 7 days a week telephone number to access a registered agent authorized to access and escort in any designated limited access area. In accordance with 935 CMR 500.110(4)(b) nothing in this paragraph shall prohibit or limit law enforcement authorities acting within their lawful jurisdictions, police and fire departments, and emergency medical services acting in the course of their official capacity from entering limited access areas.

- b. In addition to the requirements of Section 12.a, the Company shall, prior to the commencement of operations, submit to the Town’s Police Chief and Fire Chief, and obtain their respective approval of, security, traffic management and emergency response plans which include at a minimum: (i) A description of the location and operation of the security system, including the location of the central control on the premises; (ii) a schematic of security zones; (iii) the name of the security alarm company and monitoring company, if any; (iv) a floor plan or layout of the facility identifying all areas within the facility and grounds, including support systems and the internal and external access routes; (v) the location and inventory of emergency response equipment and the contact information of the emergency response coordinator for the laboratory; (vi) the location of any hazardous substances and description of any public health or safety hazards present at the site; (vii) a description of any special equipment needed to respond to an emergency at the laboratory (viii) an evacuation plan; (ix) any other information relating to emergency response as requested by the Hopkinton Police Department or the Hopkinton Fire Department. The Company shall also place no fewer than two security cameras within and outside of the area located to provide an unobstructed view in each direction of the public way(s) on which the facility is located.
- c. The Company shall report the discovery of the following to the Town’s Police Department within twenty-four (24) hours: theft; loss; any criminal activity by employees; unusual discrepancy in weight or inventory of marijuana being tested; any vehicle accidents, diversions, losses, or other reportable incidents that occur onsite; any loss or unauthorized alteration of records related to marijuana; an alarm activation or other event that requires response by public safety personnel; and 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.

13. **Cooperation.** The Company will work cooperatively with all necessary municipal departments, boards, commissions and agencies to ensure that Company’s

operations are compliant with all municipal bylaws, ordinances, codes, rules and regulations. The Company shall maintain a cooperative relationship with the Town's Police and Fire Departments and shall meet upon request of the Town's Chief of Police, to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communication to the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures. To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan. Such plan shall include, but is not be limited to, training Company employees to be aware of, observe and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion.

14. **Term.** The term of this Agreement shall be five (5) years commencing on the Effective Date listed in paragraph 1, above, unless sooner terminated by:
- a. Revocation of the Company's license by the Cannabis Control Commission; or
  - b. The Company's voluntary or involuntary cessation of operations; or
  - c. The Town's termination of this Agreement for breach of the conditions contained herein that remain uncured 60 days from the date of notice of such breach after which time, this Agreement shall become null and void.

If the Company should voluntarily cease all operations in Hopkinton, the Company shall immediately notify the Town in writing, including the effective date of cessation of operations, whereupon this Agreement shall become null and void except that the Company shall continue to provide analytical testing of cannabis and cannabis-infused products through the date of termination of the operation. The Town may terminate this Agreement at any time during the Term of this Agreement.

15. **Governing Law.** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.
16. **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 Parties, prior to the effective date of the amendment.
17. **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. Further, the Company agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

18. **Successors/Assigns.** The Company shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town and shall not assign any of the moneys payable under this Agreement, except by and with the written consent of the Town, which shall review and act upon any such request in good faith. This Agreement is binding upon the Parties hereto, their successors, assigns and legal representatives (as may be approved by the Town as provided for above).
19. **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.
20. **Notices.** Except as otherwise provided herein, any notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following address:

If to the Town:  
 Town Manager  
 Town of Hopkinton  
 18 Main Street  
 Hopkinton, MA 01748

If to the Company:  
 Abdullatif Zaouk  
 ATOZ Laboratories, Inc.  
 400 Donald Lynch Boulevard, Suite 102  
 Marlborough, MA 01752

With a copy to:

With a copy to:

Town Counsel:  
 J. Raymond Miyares  
 Miyares and Harrington LLP  
 40 Grove Street • Suite 190  
 Wellesley, MA 02482

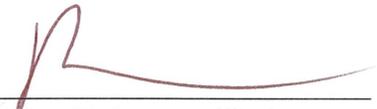
Counsel for Company:  
 James E. Smith, Esq.  
 Smith, Costello & Crawford Public Policy  
 Law Group  
 One State Street, Suite 1500  
 Boston, MA 02109

21. **Attorneys' Fees.** The Company shall pay to the Town the cost of its reasonable attorneys' fees incurred in connection with this Agreement. The Company shall make payment to the Town no later than thirty (30) days after delivery of a copy of any invoice or invoices associated with this matter.

In witness thereof, the Parties hereto have duly executed this Host Community Agreement on the date set forth above.

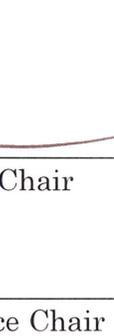
Town of Hopkinton

ATOZ Laboratories, Inc.

  
\_\_\_\_\_  
Brendan Tedstone, Chair

  
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Abdullatif Zaouk, President

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Irfan Nasrullah, Vice Chair

  
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Brian Herr

  
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Mary Jo Lafreniere

  
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Amy Ritterbusch