

**HOST COMMUNITY AGREEMENT
BETWEEN
MASSACHUSETTS SOLVENTLESS EXTRACTIONS, LLC
AND
THE TOWN OF MAYNARD**

This HOST COMMUNITY AGREEMENT (“Agreement”) is entered into pursuant to M.G.L. c. 94G on this 1st day of August, 2020 by and between **MASSACHUSETTS SOLVENTLESS EXTRACTIONS, LLC** a Massachusetts limited liability company with a principal office address of Building #2, Suite 510, Mill and Main St, Maynard, MA 01754 (“OPERATOR”) and the **TOWN OF MAYNARD**, a Massachusetts town with a principal address of 195 Main Street, Maynard, MA 01754, by and through its Board of Selectmen or its designee (“TOWN”).

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court’s revised law on the subject, “An Act to Ensure Safe Access to Marijuana” adopted as Chapter 55 of the Acts of 2017 (the “Act”); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (“CCC”), implemented regulatory framework for the regulation of the adult use of marijuana establishments through 935 CMR 500.000 et. seq. on March 23, 2018 (“CCC Regulations”); and

WHEREAS, the OPERATOR intends to apply to the CCC for one license to operate as either a “Marijuana Product Manufacturer” or “Microbusiness Marijuana Product Manufacturer” as those terms are defined in the CCC (hereinafter jointly referred to as “Product Manufacturer”); and

WHEREAS, the OPERATOR intends to operate its marijuana manufacturing business at the property in the TOWN located at Building #2, Suite 510, Mill and Main St, Maynard, MA 01754 (the “Facility”), in accordance with applicable CCC regulations and such approvals as may be issued by the TOWN, by its designated officers, boards and/or commissions, in accordance with its Zoning Bylaw and other applicable regulations in effect at the time that the CCC deems that the OPERATOR’s application is complete; and

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN upon receipt of CCC licensure to operate as a Product Manufacturer in the TOWN and upon receipt of all required local approvals to do so; and

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WHEREAS, OPERATOR and TOWN agree that the OPERATOR's Marijuana manufacturing business will impact TOWN resources in ways unique to such businesses and will uniquely draw upon TOWN resources such as TOWN's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and shall cause additional unforeseen impacts upon the TOWN; and

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"

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the OPERATOR and the TOWN agree as follows:

1. **Licensure:** All rights and obligations under this Agreement are expressly conditioned upon the OPERATOR's receipt of a license from the CCC allowing the operation as within TOWN and upon OPERATOR's obtaining all local approvals for the same. The required Special Use Permit, if and when issued, shall be appended to this Agreement. If OPERATOR fails to secure licensure from the CCC or any required local approvals, this Agreement shall be null and void and the proposed business shall not be permitted.
2. **Compliance and Cooperation:** OPERATOR shall comply with all state laws, regulations and orders applicable to Product Manufacturers, and all municipal laws, bylaws, regulations and orders applicable to the operation of Product Manufacturers in TOWN, such provisions being incorporated herein by reference.
 - a. OPERATOR shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of Product Manufacturers and shall work cooperatively and in good faith with the TOWN in securing the prompt and efficient siting, planning, permitting and preparation for opening as a Product Manufacturer.

- b. OPERATOR agrees and understands that the TOWN's execution of this Agreement does not constitute a local approval under the TOWN's zoning bylaws or any other TOWN bylaw or regulation and, thus, shall not: (i) require or obligate the TOWN or its departments or boards to issue such permits and approvals as may be necessary for the OPERATOR to operate as a Product Manufacturer in the TOWN; (ii) affect, limit, or control the authority of TOWN 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 TOWN's bylaws and regulations; or (iii) cause the TOWN to refrain from enforcement action against the OPERATOR for violations of the terms and conditions of such permits and approvals, or such laws, regulations and/or bylaws.
 - c. OPERATOR shall reimburse the TOWN the cost of a peer review of the OPERATOR's odor control and HVAC maintenance. The OPERATOR will help the TOWN to identify an entity qualified to conduct such a peer review, at the TOWN's request. This peer review shall only be conducted one time for the TOWN and shall be considered to be part of the Special Permit process. The TOWN agrees this peer review shall meet all the requirements or requests of any other Department, Committee, Board, or any other TOWN entity that may seek additional information related to the OPERATOR's odor control, HVAC maintenance and pest management plans.
3. **Community Impact Fee:** For the operation as a Product Manufacturer, the OPERATOR shall pay a community impact fee as allowed by M.G.L. c. 94G, § 3 (d) ("Impact Fee") in the amounts and under the terms provided herein. OPERATOR shall pay 3% of Gross Sales due as follows:
- a. The OPERATOR shall make quarterly payments to the TOWN in an amount equal to three percent (3%) of the gross quarterly sales of adult-use cannabis and cannabis products.
 - b. The first quarterly payment shall be made within thirty (30) days of the close of the first fiscal quarter following commencement of operations.
 - c. Subsequent quarterly payments shall be due within thirty (30) days of the end of the OPERATOR's preceding fiscal quarter throughout the term of the HCA.
 - d. In the event of a relocation out of the TOWN, an adjustment of the Impact Fee due to the TOWN shall be calculated based on the period of occupation of the Facility with the TOWN, but in no event shall the TOWN be responsible for the return of any Impact Fee payment or portion thereof already provided to the TOWN by the OPERATOR.

4. **Impact Fees Relative to Town Costs:** Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment or medical marijuana treatment center ...” (“Town Costs”). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and have agreed to the Impact Fee schedule above in lieu of attempting to determine actual Town Costs incurred. OPERATOR acknowledges that the impacts of its operation may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, OPERATOR acknowledges that the payments due under this Agreement are reasonably related to Town Costs.
5. **Impact Fees as Other Municipal Charges.** Impact Fees are expressly included as “other municipal charges” pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of OPERATOR or agent thereof if OPERATOR’S name appears on a list furnished to the licensing authority from the Town Collector of individuals delinquent on their taxes and/or water bills. Written notice must be given to OPERATOR by the Tax Collector, as required by applicable provision of law, and OPERATOR must be given the opportunity for a hearing not earlier than fourteen (14) days after said notice together with a right to cure.
6. **Application of Impact Fee:** OPERATOR expressly acknowledges and agrees that the TOWN is under no obligation to use the payments made hereunder in any particular manner or for any particular purpose.
7. **Accounting and Review.** OPERATOR shall submit a letter certified as accurate by its Chief Financial Officer, President, or other senior officer responsible for record-keeping, to the TOWN not later than thirty days (30) days after the end of the OPERATOR’S preceding fiscal quarter with a certification of the gross sales for said quarter. Within forty-five (45) days after the end of OPERATOR’S fiscal year, OPERATOR shall submit a certified statement of the gross sales by quarter for the subject fiscal year, as certified by OPERATOR’S outside Public Accountant.

OPERATOR shall maintain its books, financial records and other compilations of data pertinent to the requirements of this Agreement in conformance with generally accepted accounting principles and the regulations or guidelines of the CCC. All records shall be retained for a period of at least seven (7) years. Records and images may be stored electronically and need not be maintained as hard copies or in original form.

So long as this Agreement is in effect and for a period of three (3) years thereafter, the TOWN shall have the right to examine those portion(s) of OPERATOR's books and financial records which relate to determination of the sum of the Impact Fee payments. Examinations may be made upon not less than thirty (30) days prior written notice from the TOWN and shall occur only during normal business hours at such place where said books and financial records are maintained. The TOWN's examination as aforesaid, shall be conducted in such manner as to not interfere with OPERATOR's normal business activities.

In the event that the Parties disagree to the accuracy of the certification of the OPERATOR's quarterly sales, the TOWN may conduct an examination of such sales at the expense of the TOWN. If, after such examination and recomputation, an additional fee or payment is owed to the TOWN, the OPERATOR shall reimburse the TOWN for the reasonable cost of the examination, such an amount not to exceed the recomputation reimbursement.

8. **Payment as Condition of Operation, Default and Remedy.** Impact Fee payments as set forth above are necessary for OPERATOR's continued operation in the TOWN. Failure to make the required payments as scheduled and a failure to cure the failure to pay within ten (10) days of the due date, shall constitute default of this Agreement and may serve as cause for TOWN's immediate review, upon ten (10) business days' notice to OPERATOR by the Board of Selectmen. OPERATOR shall be in default of this Agreement if any of the following occur:
- a. OPERATOR fails to make the required payments pursuant to Section 3 above, and such failure is not cured within ten (10) business days of written notification from TOWN; or
 - b. OPERATOR fails to begin operations within two (2) years of the date of execution of this Agreement, unless OPERATOR receives approval from the Board of Selectmen, in its sole discretion, to extend the time for compliance with this Section. Any additional extensions shall be subject to further approval of the Board of Selectmen.
 - c. OPERATOR materially breaches any other provision of this Agreement, and such failure is not cured within thirty (30) days of written notification from TOWN.

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

9. **Reporting:** OPERATOR shall provide the TOWN with all copies of its publicly available filings to the CCC, Secretary of the Commonwealth's Corporations Division, and the Massachusetts Department of Revenue, as requested.
10. **Confidentiality:** To the extent permitted by M.G.L. c. 66, § 10, (the "Public Records Law") 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 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 that the address of Facility's manufacturing 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 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 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. TOWN shall forthwith notify OPERATOR of an intended disclosure with sufficient advance notice in order to allow OPERATOR fair opportunity to seek a protective order from a court, should OPERATOR elect to so pursue.
11. **Local Taxes:** OPERATOR shall not object or otherwise challenge the taxability of its real or personal property, as long as the valuation is fair and reasonable and consistent with other commercial properties within the TOWN. The OPERATOR shall not request any tax credits or subsidy from the TOWN for the Facility including, but not limited to, any request for a tax exemption or abatement as a non-profit entity. y.
12. **Other Payments.** OPERATOR anticipates that it will make annual purchases of water and sewer from local government agencies. OPERATOR will pay any and all fees associated with the local permitting of the Facility.
13. **Term:** The term of this Agreement shall be approximately five years from the close of the first quarter following commencement of operations and concluding when the twentieth (20th) quarterly Impact Fee is paid to the TOWN by the OPERATOR, unless sooner terminated by:
 - a. revocation of OPERATOR's license by the CCC; or
 - b. revocation of OPERATOR's license by the Board of Selectmen; or

- c. revocation of OPERATOR's special permit or other local permit or license; or
 - d. OPERATOR's voluntary or involuntary cessation of operations; or
 - e. the TOWN's termination of this Agreement for material breach of the conditions contained herein that remain uncured sixty (60) days from the date of notice of such material breach.
14. **Renegotiation/Applicability:** The terms of this Agreement shall continue in full force and effect unless the parties reach accord on a subsequent agreement, provided, however, that in no event shall OPERATOR be permitted to continue to operate its Facility after termination as set forth in Sections 8 and 13 above. Six (6) months prior to the end of the term of this Agreement, the parties shall negotiate in good faith a successor agreement, inclusive of Community Impact Fees, to the extent permitted by law.
15. **Security and Public Safety:** The OPERATOR shall work with the TOWN's Police Department and the TOWN's Fire Department to determine the placement of interior and exterior security cameras at the Facility. OPERATOR will maintain a cooperative relationship with the Police Department and the Fire Department, including but not limited to meetings no less than every 4 months to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on or in the immediate vicinity of the Facility. Such camera(s) locations may be altered by the CCC during their security and architectural review process.
16. **Approval of On-Site Manager:** The OPERATOR shall provide to the TOWN, for review and approval, the information set forth in 935 CMR 500.101(1)(b), of the person proposed to act as on-site manager of the OPERATOR's Facility which submittal shall include authorization to perform a criminal offender record information (CORI) check. Within thirty (30) days of its receipt of the information set forth in 935 CMR.500.101(1)(b), the TOWN shall, in consultation with the Police Chief, determine whether the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied if the TOWN denies such approval and the CCC has approved said on-site manager pursuant to the Regulations. Notwithstanding the foregoing, if TOWN does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, the on-site manager of the OPERATOR's Facility shall be deemed approved by TOWN. This approval process shall also apply to any change of on-site manager.

17. **Prevention of Diversion:** The, OPERATOR shall work with the TOWN's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the sales commencement date. Such plan will include, but is not limited to, (i) training employees to be aware of, observe, and report any unusual behavior in OPERATOR's Facility employees that may indicate the potential for diversion; (ii) strictly adhering to CCC Regulations as to certification amounts and time periods; (iii) utilizing seed-to-sale tracking software to closely track all inventory. Failure to adhere to such plan following written notice of such failure shall constitute a default of this Agreement. In all such circumstances, the OPERATOR, shall be permitted thirty (30) days to cure any such failure.
18. **Emergency Response Information:** OPERATOR shall file a satisfactory security and traffic management plans and emergency response plan with the TOWN's Police Chief and Fire Chief which includes: (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 Facility; (vi) the location of any hazardous substances and a description of any public health or safety hazards present on site; (vii) a description of any special equipment needed to respond to an emergency at the Facility; (viii) an evacuation plan; (ix) any other information relating to emergency response as requested by the Maynard Fire Department or the Maynard Police Department; and (x) the location of security cameras within and outside of the Facility.
19. **On-Site Consumption Prohibited:** OPERATOR agrees that, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana and marijuana-infused products at the Facility.
20. **Odor Control:** OPERATOR agrees to contain all cannabis related odors onsite through use of odor control technologies, including but not limited to appropriate ventilation and air handling equipment and odor resistant packaging. Any complaints received by the TOWN concerning odors that are detectable at abutting properties must be addressed thoroughly and expediently by OPERATOR. OPERATOR shall provide the TOWN with an odor control plan during the application process at a time mutually agreed to by both parties. Said odor control plan shall be reviewed and approved by an expert selected by the TOWN at its sole discretion. The cost of said review by the TOWN's expert shall be borne by the OPERATOR.

21. **Community Impact Hearing Concerns:** OPERATOR agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all concerns or issues raised at OPERATOR'S required Community Outreach Meeting relative to the operation of the Facility.
22. **Hours of Operation:** OPERATOR shall comply with the hours of operation as determined by the Board of Selectmen as the license authority Chapter 39 of the General Bylaws.
23. **Local Hiring:** To the extent that such a practice and its implementation are consistent with federal and state laws and regulations, OPERATOR will work in a good faith, legal and nondiscriminatory manner to give reasonable preference in the hiring of employees for its Facility to qualified Maynard residents. OPERATOR will endeavor to hire local, qualified employees to the extent consistent with law and with the demands of OPERATOR's business. OPERATOR will endeavor in a good faith, legal and non-discriminatory manner to use local vendors and suppliers where possible.
24. **Assignment:** OPERATOR shall not assign or transfer this Agreement, in whole or in part, or grant any license, concession or permission therein without prior approval of the TOWN. OPERATOR shall provide the TOWN thirty (30) days' prior written notice of its intent to assign or transfer. If this Agreement shall be so assigned or transferred, TOWN shall be entitled to a reasonable payment to cover its costs of due diligence and review of the proposed assignee or transferee, and to continue to receive Impact Fees and any and all other payments due under this Agreement from such assignee or transferee. No such assignment or transfer shall be deemed a waiver or release of the assignee or transferee from full performance hereunder, and the Agreement shall be binding upon any such assignee or transferee. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.
25. **Limitation on Operations:** The OPERATOR acknowledges and agrees that this Agreement covers the operation of the Facility under the full use of the OPERATOR'S Product Manufacturer license and no other business enterprise shall be undertaken at the Facility absent express agreement of the TOWN. Retail sales from the Facility shall be expressly prohibited.

26. **Closure and Clean-Up:** In the event the OPERATOR ceases operations at the Facility, the OPERATOR shall remove all materials, marijuana and marijuana products, equipment and other paraphernalia within thirty (30) days of ceasing operations. To ensure the same, the OPERATOR shall provide documentation of a bond or other resources held in an escrow account naming the TOWN in an amount sufficient to adequately support the dismantling and winding down of the Facility. The parties acknowledge that the failure to remove controlled materials (e.g. THC products) in their entirety and within the timeframe set forth as set forth herein will cause actual damage to the TOWN, which damages are difficult or impracticable to calculate. Thus, in such event, the OPERATOR shall pay to the TOWN as liquidated damages, and not as a penalty, an amount equal Five Thousand (\$5,000) Dollars.
27. **No Joint Venture:** The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the TOWN, or the TOWN and any other successor, affiliate or corporate entity as joint ventures or partners.
28. **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 TOWN or the OPERATOR.
29. **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.
30. **Notice:** Any and all notices 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 delivered by other reputable delivery service, to the parties as set forth below or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand; if so mailed, when deposited with the U.S. Postal Service; or if sent by private overnight or other delivery service, when deposited with such delivery service.

If to TOWN:	If to OPERATOR:
Town Administrator TOWN OF MAYNARD 195 MAIN ST MAYNARD MA 01754-2575	Massachusetts Solventless Extractions, LLC Building #2, Suite 510 Mill and Main Street Maynard, MA 01754 Telephone: Email:

With copies to:	
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31. **Governing Law:** This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and may only be enforced in a Massachusetts State Court of competent jurisdiction. The parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
32. **Waiver:** The obligations and conditions set forth in this Agreement may be waived only in writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
33. **Severability:** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a 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 the TOWN would be substantially or materially prejudiced. The TOWN and the OPERATOR agree to negotiate in good faith any term that is determined to be illegal, otherwise invalid, or incapable of being enforced to a mutually agreeable term that is legal, valid and enforceable.
34. **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.
35. **Amendment:** This Agreement may only be amended by a written document duly executed by the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the TOWN and the OPERATOR.
36. **Modifications:** Modifications to this Agreement may only be effective if made in writing and signed by both parties hereto.
37. **Headings:** The article and section headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.

38. **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.
39. **Signatures:** Facsimile or electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature.

[SIGNATURE ON FOLLOWING PAGE]

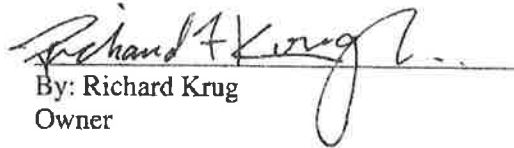
IN WITNESS WHEREOF, this Agreement has been executed on the date below, as a sealed instrument by OPERATOR's duly authorized officer, and by the TOWN OF MAYNARD.

Town of Maynard, Massachusetts
by its Board of Selectmen



Chairman

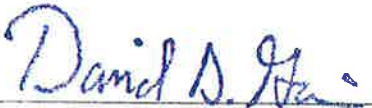
Massachusetts Solventless Extractions, LLC


By: Richard Krug
Owner

Vice Chair



Clerk



Member



Member

