

TOWN OF NORTON
[ENTER COMPANY NAME]

HOST COMMUNITY AGREEMENT

FOR THE SITING OF A MARIJUANA ESTABLISHMENT IN THE TOWN OF NORTON

This Host Community Agreement (“Agreement”) is entered into this ____day of [MONTH], 20XX by and between [ENTER COMPANY NAME], a Massachusetts company with a principal office address of [ENTER ADDRESS], MA (“the Company”) and the Town of Norton, a Massachusetts municipal corporation with a principal address of 70 East Main Street, Norton, Massachusetts 02766 (“the Town”).

RECITALS

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment for the purposes of engaging in a [TYPE OF BUSINESS/LICENSE] of [ADULT USE/MEDICAL] marijuana (the “Facility”) on property located at [ENTER ADDRESS], Norton, Massachusetts 02766 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94G, G.L. c.94I, 935 CMR 500.000, and 935 CMR 501.00 and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations, as may be amended; and

WHEREAS, the Town recognizes this Facility will benefit the Town and its citizens through increased economic development, additional employment opportunities for residents, and a strengthened local tax base; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town’s roads and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission or such other state licensing or monitoring authority, as the case may be, to operate the Facility and receives all required local permits and approvals from the Town;

WHEREAS, the Parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

WHEREAS, G.L. Chapter 94G, Section 3, and the regulations issued thereunder, require that the Town and the Company execute an agreement setting forth the conditions to have the Facility within it that must include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment; and

WHEREAS, the Parties agree and acknowledge that the Town has identified certain concerns

with respect to the impact of the Facility, which the Parties hereby stipulate are likely to cause the Town to incur particular additional expenses and impact; and

WHEREAS, the Company and the Town have a mutual interest in the long-term sustainable development of both the Company's Facility and the economic growth of the Town; and

WHEREAS, the Parties stipulate that the Community Impact Payments set forth in this Agreement address direct or secondary impacts of the Company's operations within the Town pursuant to applicable Massachusetts law and regulations, including but not limited to 935 CMR 500 and G.L. c.94G, § 3(d), and are reasonably related to said direct and secondary impacts.

WHEREAS, the Parties intend to enter this Agreement as a means of memorializing their obligations with respect to mitigation of the impacts of the Facility, as well as their intention to collaborate to the fullest extent possible to ensure the proposed improvements and operations occur efficiently and in a manner that will benefit the Town:

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Payments

In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Payments:

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts, both quantifiable and unquantifiable, on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein.

1. APPROPRIATE LANGUAGE (a or b) TO REMAIN AS ITEM 1 BASED UPON THE TYPE OF ESTABLISHMENT WHEREAS "a" IS A RETAIL/MEDICAL DISPENSARY, AND "b" ALL OTHER ESTABLISHMENTS

- a. Company shall annually pay a Community Impact Fee in an amount equal to three percent (3%) of the Gross Sales from marijuana and marijuana product sales at the Facility. The term “Gross Sales” shall mean the total of all retail sales transactions of the Facility without limitation, and shall include but not be limited to all adult use marijuana and medical marijuana sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility directly to consumers or wholesale to other Marijuana Establishments. In the event the Company is acting in the capacity of a delivery courier/delivery operator for other licensed marijuana retail establishments or other licensees authorized by 935 CMR 500 to sell marijuana or marijuana products direct to consumers, the Parties agree that in those instances, the delivery fee paid to the Company shall be included in the gross revenue computation for determining the (3%) community impact fee.
 - b. Company shall annually pay a Community Impact Fee in an amount equal to three percent (3%) of the Gross Sale Price of all marijuana and marijuana-infused products cultivated or manufactured at or distributed from the Facility (the “Community Impact Fee”). Gross Sales Price shall be defined as: a) with respect to sales of marijuana or marijuana products sold to third parties unrelated to the Company, the actual wholesale price paid by such parties; and b) with respect to sales of marijuana and marijuana products at Marijuana Retailers owned, operated or affiliated with the Company, the highest unit prices for products wholesaled to third parties in an arms-length transaction during the previous twelve months, calculated separately with respect to: i) flower; and ii) extracted products, as the case may be. In the event the Company is acting in the capacity of a delivery courier/delivery operator for other licensed marijuana retail establishments or other licensees authorized by 935 CMR 500 to sell marijuana or marijuana products direct to consumers, the Parties agree that in those instances, the delivery fee paid to the Company shall be included in the gross revenue computation for determining the (3%) community impact fee.
2. The Community Impact Fee shall be paid quarterly, on or by the 20 days following the end of each quarter of operation, commencing on the first day of the first full calendar month after the commencement of sales for any part of the Facility, and continuing for a period of five (5) years. The Facility shall be deemed to have commenced operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a Final Certificate of Registration and/or a Final License from the CCC (“Commencement of Operations”). At least 90 days prior to the conclusion of each of the respective five-year terms, the Parties shall meet to negotiate in good faith the terms of a new Community Impact Fee as an Amendment to this Agreement. Provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Community Impact Fee.

3. The Town shall use the above referenced payments in its sole discretion but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, and permitting and consulting services, as well as unforeseen impacts upon the Town.
4. 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...” Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs and waives any claims to the contrary.

B. Annual Community Benefit Payments

In addition to the Community Impact Fee, the Company shall additionally pay an Annual Community Benefit Payment in accordance with the following:

1. Annual Community Benefit Payments: For as long as the Facility is in operation, the Company shall pay to the Town the sum of \$_____ annually for purposes of funding substance abuse and mental health services in the Town, including, but not limited to school substance abuse and counseling services. In the event the Company is acting in the capacity of a delivery courier for other licensed marijuana retail establishments or other licensees authorized by 935 CMR 500 to sell marijuana or marijuana products direct to consumers, the Parties agree that in those instances, the delivery fee paid to the Company shall be included in the gross revenue computation for determining the 3% community benefit payment.
 - a. The Annual Community Benefit Payment shall be paid annually within 30 days following the end of each 12 months of operation, commencing on the first day of the first full calendar month after the Commencement of Operations for any part of the Facility.
 - b. The Parties hereby recognize and agree that the Annual Community Benefit Payment to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

C. Additional Costs, Payments and Reimbursements

1. Local Sales Tax: The Parties acknowledge that the Town has imposed a local sales tax of 3% upon the sale or transfer of marijuana or marijuana products by a marijuana establishment operating within the Town, pursuant to the provisions of G.L. c.64N. Nothing herein shall limit the ability of the Town to adjust the local sales tax in the future, should the law be amended to allow for an adjustment in such allowable sales tax.

2. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's usual building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
3. Facility Consulting Fees and Costs: In addition to the Community Impact Fee, the Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including without limitation, planning, engineering, architectural, scientific, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility.
4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.

The Company shall reimburse the Town for reasonable attorney fees incurred by the Town in conjunction with the Facility including in connection with the negotiation of this Agreement. Such reimbursement shall be made within fourteen days after written request by the Town.

5. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program and for certification and recertification of a Drug Recognition Expert. Costs are incurred chronologically based upon the date of other Agreements with the Town of Norton.
6. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made within ten (10) days of the date they are due; the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

D. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, shall annually contribute to public local charities/non-profit organizations in the Town an amount no less than \$_____, annually, said

charities/non-profit organizations to be determine by the Company and approved by the Town. The contribution shall be made annually beginning on the first anniversary following the Commencement of Operations and shall continue for the term of this Agreement.

E. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall submit annual financial statements to the Town within 60 days after the payment of its fourth quarter payment of the Community Impact Fee with a certification of its annual sales. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility

During the term of this Agreement and for three years following the termination of this Agreement the Company agrees that in the event the Town is unable to verify the Company's Gross Sales and the payment of the required amount of the Community Impact Fee, the Town may require the Company to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company, provided that such expense shall be offset against the annual payment of 3% of Gross Sales. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment and shall include a certification of itemized Gross Sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

All payments required hereunder shall remain in effect for the full duration of the Company's use of the Facility for the purposes stated herein. In the event such term is deemed to be contrary to law, the payments shall remain in effect for the longer of five years or the maximum period allowed by law, and this Agreement together with such payments shall automatically renew for successive terms of the longer of five years or the maximum period allowed by law. Upon voluntary or involuntary permanent termination of the use, and upon delivery to the Town of written notice of such termination, payments or benefits shall immediately cease; provided, however, that the Company shall, within seven (7) days of such notice, pay to the Town the payments required hereunder.

3. Local Vendors and Employment

The Company is deeply committed to creating a non-discriminatory workplace and a welcoming work environment. The Company is also deeply committed to being a Good Neighbor to the Town. To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, The Company shall make best efforts in a legal and non-discriminatory manner to give priority to Town businesses, suppliers, contractors, builders and vendors located in the Town in the provision of goods and services called for in the construction, maintenance and continued operation of

the Facility and to hire Town residents for jobs in and related to the Facility. Such efforts shall include actively soliciting bids from Town vendors through local advertisements and direct contact, advertising any job expansion or hiring of new employees first to Town residents a minimum of two (2) weeks before advertising through all typical regional employment advertising outlets, and such other reasonable measures as the Town may from time-to-time reasonably request. The Company also agrees to make best efforts to utilize women-owned and minority-owned vendors within the Town and the region.

Prior to the commencement of operations for the Facility, the Company shall advertise and hold at least one hiring event for Norton residents, at which it will review its hiring needs and explain to attendees the process by which they may seek to be hired in connection with the Facility. Said hiring event shall take place at the property or such other location in Norton as may be approved by the Town Manager, such approval not to be unreasonably withheld or delayed. Thirty days after opening to the public, and annually thereafter, the Company shall provide to the Town a hiring report. Said report shall include the full and part-time employment levels for the Facility as of the beginning of each month during the reporting period and the proportion of Norton residents in each category of employment. The Company shall furnish the Town with such further information and documentation as the Town may reasonably request to support and document compliance with this paragraph but no more than twice a year.

4. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated 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 and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes; however, nothing in this provision shall prohibit the Company from appealing any assessment made on its property.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

The Company, its assignee, nominee, or successor thereof, shall remit to the Town the full mill rate of its assessed property value in accordance with the standard property taxation schedule of the Town.

The Company agrees to register all vehicles used in connection with the Delivery/Courier/Transportation Facility in Norton and to pay motor vehicle excise taxes on such vehicles to the Town. All vehicles will be parked in designated areas on the property and in accordance with CCC regulations. The fleet will be comprised of hybrid vehicles.

5. Security and Safety

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in reviewing and approving all security plans prior to the implementation and Commencement of Operations, including determining the placement of exterior security cameras, but in no event will the Police Department's review override the requirements of the CCC.

The Company agrees to comply with requirements outlined in Exhibit A and cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, immediate access and transfer of video footage from any video surveillance system of the establishment's interior or exterior when so requested by the Police Department (which request may be made when the Police Department has a reason to believe such footage may be of assistance in an ongoing investigation related or non-related to the Establishment's business) and communications with 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 ensure that marijuana and marijuana products produced by the Facility are not being transferred to the illegal market or to minors.

If requested, the Company shall implement a comprehensive diversion prevention plan to prevent diversion of medical marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any reasonable changes, amendments or modifications to address local concerns.

The Company shall immediately upon discovery report the following to Town Police or forthwith as defined in Exhibit A: 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, cultivation, distribution, processing, or production 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. The Licensee shall promptly copy the Town's Chief of Police on any notifications and submissions it makes to the Massachusetts Department of Public Health pursuant to 105 CMR 725.110 (F) and/or 935 CMR 500.110(7) or other provisions of law relating to the Establishment ("Incident Reporting"). The final report of any diversion, theft, loss, or breach of security will be forwarded to Town Police within 10 days.

In the event of accidental activation of a panic alarm, the Licensee will notify the Police Department that the activation was accidental. The Police Department may conduct a check of the facility in the event of an accidental activation.

The Company agrees and acknowledges that periodic inspections of the Facility by the Town's Police Department, Town's Fire Department, Inspections Department and Board of Health to ensure compliance with local bylaws, rules and regulations shall be a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility.

6. Community Impact Hearing Concerns

The Company 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 reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time by the Company or at the request of the Select Board, shall be reviewed and approved annually by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a Final license and/or Final Certificate of Registration from the CCC, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the Facility in the Town.

The Company agrees to diligently pursue all licenses, permits and approvals required to open and operate the Facility. Within sixty (60) days after execution of this Agreement, the Company shall file with the CCC an application and all required supporting documents to request provisional licensure for the Facility. Within sixty (60) days of receipt of provisional licensure, the Company shall file with the Town's Local Boards all application forms and required supporting documents to request permits to allow the construction and operation of the Facility. Also within said sixty (60) days, The Company shall provide the Town Manager and Select Board written status updates at least every ninety (90) days regarding all efforts undertaken by The Company to secure any necessary licenses, permits and approvals for the construction and operation of the Facility. The Company shall commence interior fit-up of the Facility within one hundred and twenty (120) days after receipt of necessary permits from the Local Boards and provisional licensure from the CCC, and it shall diligently continue construction through completion of the Facility. No later than thirty (30) days after completion of construction, The Company shall request a certificate of occupancy from the Town's Building Commissioner and final licensure from the CCC. If the Facility has not commenced operations within one year after execution of this Agreement, The Company shall provide the Town Manager with a written explanation for such delay and shall, upon request, appear before the Select Board to explain such delay. If the Board determines that The Company has failed to diligently pursue all necessary licenses, permits and approvals for the Facility, or has otherwise failed to take all reasonable actions necessary to commence operations within one year as required hereunder and that said delays have not resulted primarily due to causes beyond The Company's control, it may vote to terminate this Agreement after first affording The Company written notice and a thirty (30) day opportunity to cure.

This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable licenses, 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 hereby required or obligated to issue such licenses, permits and approvals as may be necessary for the Facility to operate in the Town, 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.

8. Traffic Management

The Company shall at its own expense, employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event there is traffic queuing at the Facility which cannot be accommodated through existing parking and police detail, the Company shall provide a mitigation plan to the Town within 14 days, and for retail establishments provide off-site parking and shuttle service to the Facility to alleviate traffic issues.

9. Electrical Usage and Renewable Energy Requirements

The Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the Cannabis Control Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the Cannabis Control Commission to reduce energy usage and consumption and engage in energy conservation; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of 36 watts per gross square foot of active and growing canopy.

The Company shall report to the Select Board annually on its energy use and shall include in its annual report a summary of its ongoing strategies to further reduce electrical demand.

10. Water Consumption

The Company shall follow the CCC's Best Management Practices for Water Use. In addition the Company shall install water meters, conduct regular water audits to determine the amount and location of water use, and develop and implement a water savings strategy. The Company shall report to the Select Board annually on its water use, and shall include in its annual report a summary of its ongoing strategies to further reduce water use.

11. Waste and Wastewater Controls

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations and comply with the CCC's Waste Management Requirements.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and

groundwater. Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Facility. Company agrees to consult with the Norton Water and Sewer Division regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Norton Water and Sewer Division, including, but not limited to, testing requirements and tank holding requirements if necessary.

The Company will ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12). When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three years.

12. Odor Control Technology

The Company shall ensure that odor from the Establishment is not released so as to constitute a nuisance to surrounding properties. The Company shall utilize a closed air system at the Establishment, to include the entire facility, to not relive or introduce any outdoor air into the Establishment, nor allow any indoor air to escape prior to being mitigated with odor-control technologies, including but not limited to carbon filtration installed in the HVAC system. The Company shall employ odor control technology to remove odors and harmful volatile organic compounds (VOCs) from the Establishment. The Company shall ensure proper maintenance of all odor mitigation equipment to ensure maximum efficiency. The Town will notify the Company upon receipt of a complaint.

In the event the Town receives three (3) or more complaints with respect to odor impacts in relation to the operation of the Establishment, the Company shall be required to meet with the Select Board, which may require that additional mitigation measures be taken within defined timeframes as identified by the Select Board and/or an Independent Engineer, at the Company's sole expense, to address the specific nature of the complaints, including, but not limited to, having its odor prevention mechanism and technologies reviewed and assessed by an Independent Engineer, to address the specific nature of the complaints to the satisfaction of the Select Board. If, upon a fourth complaint, in the sole discretion of the Select Board, the odor complaints have not been adequately addressed, the Select Board may terminate this Agreement.

Nothing set forth herein, shall limit the authority or jurisdiction of the Department of Environmental Protection, Building Commissioner, Board of Health, or any other state or local enforcement official from enforcing applicable state laws and regulations or the Town's local bylaws and regulations, with respect to odor violations.

13. Support

The Town agrees to submit to the CCC, or such other state licensing, registering or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license or certificate of registration to operate the Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any Special Permit/Site Plan Approval and/or zoning application submitted for the Facility, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

14. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the Facility in the Town, with the exception of the Community Impact Fee as set forth in Section 2 herein, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license and certificate of registration from the CCC and all necessary local permits from the Town for the Facility and has not commenced the use/operations at the Facility within two years from the date this Agreement is signed, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

15. Annual Reporting

The Company shall file an annual written report with the Town in connection with its annual financial submissions each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the Select Board, appear at a regularly scheduled meeting to discuss the Company's Annual Report.

16. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, not unreasonably withheld, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

17. Notices

Any and all 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 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.

To Town:

Town Manager, Town of Norton
70 East Main Street
Norton, MA 02766

Copy to Town Counsel:
KP Law, P.C.
101 Arch Street, 12th Floor
Boston, MA 02110

To Company:

Copy to Counsel:

18. Severability

If any term of 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. For the purposes hereof, substantial or material prejudice shall include, without limitation, reduction or termination of the payments required hereunder. The Parties recognize and agree that any reduction in payments to the Town as provided herein would constitute material prejudice to the Town. The Parties agree that should any payments or voluntary contributions detailed herein later be deemed not enforceable or not required, the Company agrees to donate or gift the equivalent amount to the Town on the same schedule as stated herein for the duration of the Company's operation of the Facility. Further, the Company agrees that 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.

19. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

20. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein.

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.

21. 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.

22. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

23. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

24. Signatures

Facsimile and/or electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature.

25. 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.

26. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the Town or relocates the Facility out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Facility within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

27. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but

not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

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 the Town or the Company.

EXHIBIT A

Marijuana Establishment Requirements

In addition to all requirements under 935 CMR 500.000 and its specific subsections addressing security and other areas (500.110, 500.105, 500.100) of the Cannabis Control Commission, the Norton Police Department requires the following:

- Commercial grade video system recording and monitoring of:
 - all points of entry and exit, exit doors
 - overhead doors
 - all parking areas
 - Vault areas
 - Delivery/Receiving Areas
 - Panic Alarms

Video shall be able to provide clear, identifying still photos and video of faces, vehicles and license plates.

- Norton Police having remote access to the video as necessary
- Monitored alarm system to include all exterior doors, windows and other access points. The system shall include glass break and interior motion sensors
- Commercial grade exterior locks, doors and windows
- Limited access security, such as key card or biometric readers
- Roof access deterrent to include physical barriers and interior motion alarms
- Physical deterrents to unauthorized vault wall access (masonry, mesh lining etc)
- Currency Scanners for larger bills (Policy of Scanning \$20.00 bills and higher)
- Exterior parking lot shall allow for sufficient light to facilitate video surveillance and still photos
- Exterior windows shall have shatterproof film
- Traffic Study and/or mitigation, if required by Chief of Police
- Detail Officer(s), as necessary, at the discretion and direction of the Chief of Police for safety and/or traffic concerns
- Any diversion, theft, loss or breach of security shall be reported to the Norton Police ***forthwith***. A final report concerning the matter shall be sent to the Norton Police within 10 days.

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

TOWN OF NORTON

THE COMPANY

John Conway, Chairperson

Chief Executive Officer/President

Michael Toole, Vice Chairperson

Christine Deveau, Clerk

Renee L. Deley, Member

Megan Artz, Member