

TOWN OF FRANKLIN  
AND  
Hennep, Inc.

FIRST AMENDED HOST COMMUNITY AGREEMENT

THIS FIRST AMENDED HOST COMMUNITY AGREEMENT ("Agreement") is entered into this 13<sup>th</sup> day of May 2024 by and between Hennep, Inc., a duly organized Massachusetts corporation with a principal office address of One International Place, Suite 3700, Boston MA 02110 (the "Company"), and the Town of Franklin, with a principal address of 355 East Central Street, Franklin, MA 02038 (the "Town"), acting by and through its Town Administrator.

WHEREAS, the parties entered into a Host Community Agreement, dated March 15, 2022 (the "Original Agreement"), relative to the Company's proposal to obtain a license to operate a Marijuana Retailer establishment at 164 Grove Street in the Town in accordance with regulations issued by the Massachusetts Cannabis Control Commission ("CCC");

WHEREAS, the Company also operates a Marijuana Establishment facility for the purpose of cultivation, manufacture and distribution of adult-use marijuana products at 160 Grove Street in the Town in accordance with regulations issued by the Massachusetts Cannabis Control Commission (CCC) (the "160 Grove Facility"); and

WHEREAS, both parties have complied with their respective obligations thereunder: Company has made all required payments and Town has properly applied said payments to mitigate impacts;

WHEREAS, the Massachusetts Legislature has substantially rewritten the statute to redefine impacts; and

WHEREAS, based on the previous recital, the parties hereto have agreed to and desire to amend the Original Agreement to eliminate annual impact fee payments.

NOW THEREFORE, in consideration of the provisions of this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Effective upon the execution of this agreement, Town shall not impose an annual impact fee upon Company. The Parties hereby wave any and all rights, including receipt of payments and recoupment of payments arising from any parties' provisions in original HCA for Company's payment of annual impact payments to Town and each agrees to indemnify, hold harmless and defend the other from against any such claims and/or actions.
2. In consideration of the terms of this Agreement, and for so long as the Company operates its business in accordance with regulations issued by the CCC, if the Town undertakes plans to rezone new areas permitting for the operation of a Retail Marijuana Establishment, the Town shall promptly notify the Company of such plans.
3. The Company agrees to cooperate with the Town's Police and Fire Departments, as well as all of other Town Departments at the discretion of the Town Administrator or his/her designee, including but not limited to periodic meetings to review operational concerns,

security, delivery procedures, cooperation in investigations, and other concerns or impacts identified by the Municipality that may arise during this agreement.

4. This Agreement shall be null and void in the event that the Company does not continue to operate its 160 Grove Facility and its Marijuana Retailer in the Town or relocates both such retail facility and the 160 Grove Facility outside of the Town and gives notice to the Town no less than Ninety (90) days of such developments. In the event that the CCC or Town issues additional conditions, or thereafter seeks to modify the CCC License or any of the Franklin License or other approvals or the conditions therein, or the existing approvals for the current operation in a manner that could reasonably be expected to result in a material adverse effect on the Company's business and operations (financial or otherwise), the Company may elect to give notice to the Town of such adverse effect, in which case this Agreement shall be null and void and the parties hereby agree to negotiate in good faith a revised Agreement for the Company's then operation.
5. The Town and Company agree that Town Administrator or his/her designee shall act as the primary liaison between the Town, its subsidiary departments, boards, agencies and committees; and, the Company and Town agree all communications are through the primary liaison after final permitting has been granted.
6. This Agreement shall 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 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 parties acknowledge that the Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the retail facility to operate and expand in the Town, or to refrain from enforcement action against the Company and/or its retail facility for violation of the terms of said permits and approvals or said statutes, Bylaws, and regulations. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.
7. Local Hiring: Except for senior management, the Company commits to hiring local, qualified employees to the extent consistent with law and subject to available talent. In addition to the direct hiring, the Company will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors, and builders from the Franklin area where possible.
8. Financial Records and Audit Rights of Town:
  - a. The Company shall submit a financial record to the Town for each calendar year, due not later than February 1st of each calendar year, with a certification of the Gross Sales for the prior calendar year to assist the Town's annual budgetary projections.
  - b. The Company shall maintain its 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.
  - c. All records shall be kept for a period of at least seven (7) years.

9. During the term of this Agreement and for three (3) years following termination of this Agreement, the Town shall have the right to examine, audit and copy (at its sole cost and expense) those parts of the Company's books and financial records which relate to the Company's compliance with this Agreement. Such 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, financial records and accounts are maintained. The Town's examination, copying or audit of such records shall be conducted in such manner as not to interfere with the Company's normal business activities.
10. Any and all notices or other communications required or permitted under this Agreement shall be in writing and delivered by mail postage prepaid, return receipt requested, by registered or certified mail, or by overnight mail (including delivery by UPS, FedEx and other reputable overnight courier services), or in hand to the parties at the addresses set forth on Page 1 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 deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.
11. The parties hereto acknowledge and agree that this Agreement is subject to review and approval by the CCC pursuant to M.G.L. Ch. 94G, sec. 3(d), as amended by Chapter 180 of the Acts of 2022. In the event that the receive written notice from the CCC that this Agreement is not in compliance with M.G.L. Ch. 94G, sec. 3(d), the parties agree to amend this Agreement accordingly to resolve any deficiencies specifically identified by the CCC. The parties acknowledge that the CCC will not approve the annual renewal of Company's Marijuana Retailer License unless the CCC certifies that this Agreement complies with M.G.L. Ch. 94G, sec. 3(d).
12. 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 or the CCC, 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.
13. Governing Law. The performance of this contract shall be governed, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts.
14. Claims, disputes, or other matters in question between the Town and the Company or any other party claiming rights under this agreement relating to or arising from this agreement shall be resolved only by a civil action commenced in the Commonwealth of Massachusetts in either the Superior Court department, Norfolk County or the District Court Department, Wrentham Division, of the Massachusetts Trial Court; in the alternative, private arbitration or mediation may be employed if the parties mutually agree in writing to do so.
15. 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.

16. The individuals signing below have full authority to do so by the entity on whose behalf they have signed.

17. The termination date shall be the date five years after the Effective date.

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

  
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Jamie Hellen  
Town Administrator  
Town of Franklin

Hennep, Inc.

By:   
\_\_\_\_\_  
Its authorized Representative  
Andrew Koudijs