

TOWN OF FRANKLIN
AND
NEW ENGLAND TREATMENT ACCESS, INC.

HOST COMMUNITY AGREEMENT

THIS HOST COMMUNITY AGREEMENT ("Agreement") is entered into this __ day of April, 2018 by and between New England Treatment Access, LLC, a duly organized Massachusetts for-profit corporation with a principal office address of 5 Forge Parkway, Franklin, Massachusetts 02038 (the "Company"), and the Town of Franklin, a Massachusetts municipal corporation with a principal address of 355 East Central Street, Franklin, Massachusetts 02038 (the "Town"), acting by and through its Town Administrator.

WHEREAS, the Company operates a Medical Marijuana Treatment Center, Registered Marijuana Dispensary ("RMD") facility for the purpose of cultivation, manufacture and distribution of medical marijuana products at 5 Forge Parkway in the Town in accordance with regulations issued by the Commonwealth of Massachusetts Department of Public Health ("DPH"); and

WHEREAS, the Company wishes to expand the current RMD operation at 5 Forge Park by acquiring Marijuana Establishment Licenses that permit the cultivation, manufacture, research, and distribution of non-medical marijuana products pursuant to applicable Massachusetts law and in accordance with regulations issued by the Massachusetts Cannabis Control Commission ("CCC"); and

WHEREAS, the Company also wishes to expand the current RMD operation at 5 Forge Park or another location in Franklin by acquiring a Medical Marijuana Treatment Center License and a Medical Establishment License to permit the retail dispensing of both medical and non-medical marijuana products pursuant to and in accordance with regulations issued by the Massachusetts Cannabis Control Commission ("CCC"); and

WHEREAS, the Company intends to make certain payments to the Town to address direct or secondary impacts of the Company operation within the Town pursuant to applicable Massachusetts law and CCC regulations during the period of this Agreement while it operates the current RMD as well as in the event that it receives final CCC licenses to expand the operation of the RMD facility (the "CCC License") as provided above and receives all other required permits and approvals;

NOW THEREFORE, in consideration of the provisions of this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the Company offers and the Town accepts this Agreement in accordance with M.G.L. ch. 44, Section 53A as follows:

1. The Company agrees to make annual payments to the Town, in the amounts and under the terms provided herein (the "Funds") for the purpose of addressing such direct and secondary impacts of the Company operation within the Town as the Town shall, in its sole discretion, determine, provided that the use of such Funds shall comply with and be consistent with any and all applicable CCC regulations, DPH regulations and other state laws and regulations applicable to the Company or the Town, as determined by the Attorney General's Office, CCC, DPH, the Courts or other administrative bodies or any other responsible governing authorities. The Parties agree that the amount of the fees set forth herein are reasonably related to the real tangible and intangible mitigation costs imposed upon the Town due to the establishment and operation of the existing and proposed Medical Marijuana Treatment Center and Marijuana Establishments within the Town, as the case may be.

2. Commencing on July 1, 2018, and each subsequent year, the Company shall make a minimum annual payment to the Town in an amount of \$300,000.00 related to the cultivation, manufacturing, research and distribution of both medical and non-medical marijuana products.

The Company shall also make an annual payment in the amount equal to three percent (3.0%) of gross revenues over \$10,000,000.00 that is generated by the Company at its point of sale within the Town from the retail dispensing of such medical and non-medical marijuana products in each calendar year. Beginning on March 1, 2019, these payments shall be made on March 1st for the point of sales for the prior calendar year.

3. In the event that the state legislation governing community host agreements is amended to increase the maximum permissible percentage of gross sales above the existing three percent (3%), the higher percentage shall apply, as of the effective date of the legislation, unless prior to said date, the Company requests the Town in writing to negotiate a lesser percentage, in which the parties shall undertake good faith negotiations to reach agreement on an increased percentage less than the amended maximum.

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

5. This Agreement shall be null and void in the event that the Company does not continue to operate its RMD facility in the Town or relocates such RMD 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.

The Town and Company agree that Town Administrator or his designee shall act as the primary liaison between the Town, its subsidiary departments, boards, agencies and committees and the Company and agree all communications are through the primary liaison after final permitting has been granted.

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 RMD facility to operate and expand in the Town, or to refrain from enforcement action against the Company and/or its RMD 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.

Local Hiring: The Operator commits to hiring local, qualified employees to the extent consistent with law and subject to available talent. In addition to the direct hiring, the Operator 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.

6. Financial Records and Audit Rights of Town:

a) The Company shall submit financial records to the Town for each calendar year, due not later than March 1st of each calendar year, with a certification of the Gross Sales for the prior calendar year.

b) The financial records provided on or before February 1st of each year shall include a certification of the Gross Sales from the RMD (to dispense marijuana for medical and adult use) for the previous calendar year, for purposes of determining whether the Annual Payment shall be the applicable Minimum Payment or the Percentage of Gross Sales.

c) The Operator shall also submit to the Town copies of any additional financial records that the Operator must submit to DPH and/or CCC.

d) The Operator 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 DPH and the CCC. All records shall be kept for a period of at least seven (7) years.

e) 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 determination of the required Annual Payment and 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.

7. 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, 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.

8. 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 one or both parties would be substantially or materially prejudiced.

9. Governing Law. The performance of this contract shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

10. 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.

11. 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.

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

13. This commencement date of this Agreement shall be the date upon which it is executed by both parties. The termination date shall be the date five years after the commencement date.

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

TOWN of FRANKLIN

NEW ENGLAND TREATMENT ACCESS, LLC.

B
y

Jeffrey Nutting
Town Administrator
Duly Authorized



Executive Director
Duly Authorized