

## **HOST COMMUNITY AGREEMENT**

**between**

**THE TOWN OF UXBRIDGE, MASSACHUSETTS**

**and**

**RHYTHM OF LIFE CANNABIS LLC**

This Host Community Agreement (“Agreement”) is entered into this 14th day of April 2021 by and between Rhythm of Life Cannabis LLC, with a principal address of 217 River Road, Uxbridge, MA 01569 (“Operator”) and the Town of Uxbridge, a Massachusetts municipal corporation with a principal address of 21 S. Main Street Uxbridge, MA 01569 (“Town”).

**WHEREAS**, The Board of Selectmen voted to authorize the Town Manager to negotiate and execute a Host Community Agreement with the Operator per vote on April 12, 2021;

**WHEREAS**, Operator wishes to locate a Marijuana Establishment, and more specifically a Marijuana Product Manufacturer and Tier I Marijuana Cultivator (the “Marijuana Establishment”) in accordance with regulations issued by the Commonwealth of Massachusetts Cannabis Control Commission (“CCC”), in accordance with 935 CMR 500: ADULT USE OF MARIJUANA, as such state regulations may be amended (the “Regulations”); and to specifically exclude on site sale of product to patients and/or customers in Town; and

**WHEREAS**, Operator will be licensed to cultivate, process, purchase and transport cannabis or marijuana product from and to other Marijuana Establishments and to sell or otherwise transfer this product to a Marijuana Establishments; and

**WHEREAS**, Operator is seeking to operate the Marijuana Establishment at 217 River Road, Uxbridge, MA 01569.

**WHEREAS**, Operator is seeking two licenses from the Commonwealth of Massachusetts Cannabis Control Commission to operate a Marijuana Establishment; and

**WHEREAS**, Operator has paid a two hundred and fifty dollars (\$250) application fee.

**NOW THEREFORE**, in consideration of the above, the Operator offers and the Town accepts this Host Community Agreement as follows:

1. Community Impact Fee: The Town anticipates that the Operator’s operation as a Marijuana Establishment and/or MMTC will impact Town resources in ways unique to such businesses and will uniquely draw upon Town resources including the 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. Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably

related to the costs imposed upon the Town by the operation of the marijuana establishment..." ("Town Costs"). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and have agreed to the Impact Fees below 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, since 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 and waives any claims to the contrary.

2. Payment: In the event that the Operator obtains a Final License, or such other licenses and/or approvals as may be required, for the Facility in the Town by the CCC or such other state licensing or monitoring authority, and receives revenues of gross sales of marijuana and marijuana infused products cultivated or produced at the Facility and sold to other MMTCs and/or Recreational Marijuana Establishments, then during the term of this Agreement:

2.1 Operator shall make Annual Payments in an amount equal to One and Three Quarters percent (1.75%) of the gross revenue from the Facility's annual cannabis or marijuana product sales, provided that the total amount paid each year shall not be less than One Hundred Thousand and 00/100 Dollars (\$100,000.00) and shall not exceed One Hundred and Fifty Thousand and 00/100 Dollars (\$150,000.00), and as long as the fee is reasonably related to the costs imposed upon the Town by the operation of the Facility. In the event that the Operator has paid in excess of the previous year's 1.75% of gross sales as a result of the minimum payment referenced herein, the overpayment will be applied to the first subsequent quarter's payment.

2.2 Annual Payments shall be made quarterly each calendar year on the 1st Tuesday of January, April, July and October, beginning on the first of such dates after the Facility has been permitted and the Operator occupies and operates the Facility and has made a transaction or sale of cannabis or marijuana products at the Facility.

2.3 Operator shall submit financial records to the Town within 30 days after payment of the Annual Payment with a certification of sales with respect to each such payment. 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 CCC.

3. Local Taxes: Operator shall not object or otherwise challenge the taxability of its owned property, as long as the valuation is fair and reasonable and consistent with other commercial properties within the Town and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, in the event the Operator files as a non-profit:

3.1 any real or personal property owned or operated by Operator is determined to be non-taxable or partially non-taxable, or

3.2 the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or

3.3 Operator 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

3.4 Operator 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 full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the Impact Fee made by Operator under this Agreement. 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 and shall not object or otherwise challenge the taxability of its entity and shall not object or otherwise challenge the taxability of the Facility.

4. 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 14 days after said notice.

5. 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.

6. Applicability of Host Agreement: The provisions of this Host Agreement apply only to the Operator's use of the property located 217 River Road, Uxbridge, MA 01569 (the "Property") to operate the Facility in accordance with 935 CMR 500.000 *et. seq.*

7. Security and Public Safety: Operator shall maintain security at the Facility at least in accordance with a security plan presented to the Town and approved by the Licensing Authority(ies). In addition, Company shall at all times comply with MA Law and Local Law regarding security of the Facility. Operator shall coordinate with the Uxbridge Police Department in the development and implementation of security measures, as required pursuant to applicable regulations and otherwise, including determining the placement of exterior security cameras. 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 site. Such camera(s) locations may be altered by the CCC during their security and architectural review process. The Operator will provide access to cameras for use of emergency operations to the Uxbridge Police Department.

8. Reporting Security Breaches: Operator shall promptly report the discovery of the following to the Uxbridge Police Department immediately: 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 or marijuana establishment 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.

9. 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

marijuana establishment; (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 cannabis establishment; (viii) an evacuation plan; (ix) any other information relating to emergency response as requested by the Uxbridge Fire Department or the Uxbridge Police Department; and (x) the location of security cameras within and outside of the marijuana establishments.

10. Local Hiring: To the extent permissible by law, Operator commits to hiring local, qualified employees. In addition to the direct hiring, Operator will work in good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Town area whenever otherwise comparable local vendors are available.

11. Improvements to Property: Operator shall make capital improvements to the property such that the property will match the look and feel of the Town, and be of construction standards at least at the quality of other nearby businesses and construction standards per state and local Building Code requirements.

12. Registration and Approvals Required: The obligations of Operator and the Town recited herein are specifically contingent upon the obtaining a final license or final certificate of registration (as applicable) for the operation of the Facility from the CCC to operate in Town, and all necessary local permits and approvals.

13. Cooperation: Town shall work cooperatively and in good faith with Operator in securing prompt and efficient siting, planning, permitting and preparation for opening of the Facility, provided that nothing herein shall require Town to waive any review and approval rights set forth in applicable statutes or regulations and provided further that Town shall retain the right to provide comments and recommendations regarding design and security.

14. Compliance: Operator shall comply with all state and local laws, rules, regulations, license or permit stipulations, and orders applicable to the operation of the Facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary local and state licenses, permits, and approval required for the operation of the Facility. Operator shall report to Town any and all enforcement actions, compliance orders, or other administrative or criminal actions taken by state or local law enforcement agencies within the Commonwealth of Massachusetts (including, the Commonwealth of Massachusetts Cannabis Control Commission) with respect to the Facility or any other Marijuana Establishments owned in whole or in part by Operator, including those persons or entities having indirect control, as defined in the Regulations, within ten (10) days of Operator's discovery of said action or order.

15. Odor Control: The Operator agrees to contain all marijuana 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 leaving the Establishment that are detectable at abutting properties must be addressed thoroughly and expediently by the Operator. Operator shall provide the Town with an odor control plan within thirty (30) days of the execution of this Agreement. 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.

16. Agreement as to Agricultural Exemption: The Operator agrees to comply with all laws, rules, regulations and orders applicable to the facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits and approvals required for the performance of such work. The Operator agrees not to assert or seek



exemption as an agricultural use under the provisions of from the requirements of the Town's Zoning Bylaws pursuant to M.G.L. c. 40A, § 3.

17. Indemnification: Operator shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorney's fees, arising out of Operator's breach of this Agreement or the gross negligence or misconduct of Operator, or Operator's agents or employees; provided, that for the purposes of this Section 13 and notwithstanding anything contained herein to the contrary, no conduct, act or omission of Operator or Operator's agents or employees shall be deemed to be gross negligence or misconduct solely as a result of engaging in activity related to cannabis or the cannabis industry that may be a violation of federal law, so long as Operator's or Operator's agents' or employees' conduct or activity could be reasonably believed to be in compliance with applicable state and local laws; provided, further, that notwithstanding anything contained herein to the contrary, the total aggregate amount of Operator's liability to the Town for each year, with respect to Operator's obligation to indemnify the Town for its attorney's fees, shall not exceed the total aggregate amount of Annual Payments of Impact Fees actually received by the Town from Operator for the immediately preceding year.

18. 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.

19. Term: The term of this Agreement shall begin as of the date hereof continue in full force and effect for a period of five (5) years, provided, however, that the payment provisions set forth in Section 2 shall only survive until the twentieth quarterly Impact Fee has been remitted to the Town (upon which, Section 2 will be of no further force and effect), unless sooner terminated by:

19.1 Operator's failure to secure Marijuana Product Manufacturer and Marijuana Cultivator provisional certificate(s) of registration from the CCC or any required local approvals within twenty-four (24) months of the execution of this Agreement, this Agreement shall be null and void and the proposed business shall not be permitted, unless a replacement agreement is negotiated; or

19.2 revocation of Operator's license by the CCC; or

19.3 revocation of Operator's license by the Board of Selectmen; or

19.4 revocation of Operator's special permit or other local permit or license; or

19.5 Operator's voluntary or involuntary cessation of operations; or

19.6 the Town's termination of this Agreement for breach of the conditions contained herein that remain uncured 60 days from the date of notice of such breach.

20. Renegotiation/Applicability: The terms of this Agreement shall continue in full force and effect unless and until the parties reach accord on, and execute, a subsequent successor agreement, provided, however, that in no event shall Operator be permitted to continue to operate its marijuana establishments upon and following the termination of this Agreement pursuant to Section 15. Six (6) months prior to the date on which the twentieth quarterly Impact Fee has been remitted to the Town, the parties shall negotiate in good faith a successor agreement, inclusive of Community Impact Fees, to the extent permitted and required by law.

21. 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 marijuana establishments which submittal shall include authorization to perform a criminal history (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 marijuana establishments shall be deemed approved by Town. This approval process shall also apply to any change of on-site manager.

22. 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 marijuana establishment.

23. Community Impact Hearing Concerns: Operator agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish reasonable written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the marijuana establishment, 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 marijuana establishment.

24. Hours of Operation: Operator's days and hours of operation shall be Monday through Sunday operating 24 hours a day.

25. 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.

26. 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 Marijuana Cultivator and Marijuana Product Manufacturer licenses and no other business enterprise shall be undertaken at the facility absent express agreement of the Town. The retail sales of marijuana to consumers and dispensing of marijuana to qualifying patients at the facility is expressly prohibited hereunder.

27. Closure and Clean-Up: In the event the Operator ceases operations at the facility, the Operator shall remove all materials, plants, equipment and other paraphernalia within thirty (30) days of ceasing operations. The parties acknowledge that the failure to remove materials in their entirety and within the timeframe set forth herein will cause actual damage to the Town, which damages are difficult or impracticable to calculate. Thus, in the event that such materials are not removed within the applicable timeframe, Operator shall pay to the Town as liquidated damages, and not as a penalty, an amount equal Fifty Thousand (\$50,000) Dollars. To ensure payment of such liquidated damages, Operator shall provide the Town with evidence of its compliance with 935 CMR 500.105(16), by delivering documentation of a bond or other resources held in an escrow account, naming the Town as payee, in an amount sufficient to adequately support the dismantling and winding down of the facility. For the avoidance of doubt



and notwithstanding anything contained herein to the contrary, the obligation of Operator in this Section 25 to provide "documentation of a bond or other resources held in an escrow account" may be satisfied by the delivery of evidence that Operator is in compliance with 935 CMR 500.105(16) and has satisfied the requirements thereunder and is not intended to obligate Operator to obtain a separate bond in addition to that required by 935 CMR 500.105(16).

28. 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.

29. 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.

30. 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.

31. Severability: If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

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

33. 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.

34. Confidentiality: 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 at any time thereafter, disclose to any person or entity, any Confidential Information, except as may be required by court order or law. Operator shall mark each plan, page, or transmission with the word "Confidential."

35. Modifications: Modifications to this Agreement may only be effective if made in writing and signed by both Parties.

36. Headlines: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of the Agreement and shall not affect the interpretation of this Agreement.

37. 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.

38. Notices. Except as otherwise provided herein, any and all notices, or other communications required or permitted under this Agreement, shall be sent to the Operator or the Town by certified mail or via email and shall be addressed as follows:

<u>To the Town:</u> Town of Uxbridge c/o Town Manager 21 South Main Street Uxbridge, MA 01569 Email: ssette@uxbridge-ma.gov	<u>To the Operator:</u> Rhythm of Life Cannabis LLC Attn: Kristofer Artz, Manager 11 Fox Run, #10 Marshfield, MA 02050 Email: rhythmoflifecannabis@gmail.com
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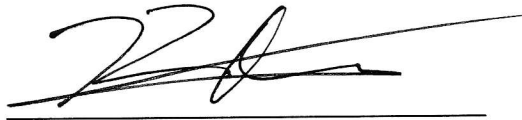
*[Remainder of page left intentionally blank; signature pages follow]*



The following signatures indicate that the parties hereby agree to the terms set forth in this Agreement as per the date set forth on page 1 of this Agreement.

**OPERATOR**

Rhythm of Life Cannabis LLC

A handwritten signature in black ink, appearing to read 'Kristofer Artz', written over a horizontal line.

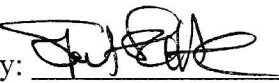
By: Kristofer Artz

its Manager

**TOWN:**

TOWN OF UXBRIDGE,

a Massachusetts municipal corporation

By: A handwritten signature in black ink, appearing to read 'Steven A. Sette', written over a horizontal line.

Name: Steven A. Sette

Title: Town Manager