

HOST COMMUNITY AGREEMENT

between

The TOWN OF UXBRIDGE, Massachusetts

and

DEEP ROOTS, INC.

This Host Community Agreement ("Agreement") is entered into this 7th day of January, 2019 by and between DEEP ROOTS, INC., a Massachusetts corporation with a principal place of business at 420 West Street, Uxbridge, Massachusetts 01569 ("Operator") and the Town of Uxbridge, a Massachusetts municipal corporation with a principal place of business at 21 South Main Street, Uxbridge, MA 01569 ("Town").

WHEREAS, Operator wishes to locate a Marijuana Cultivation and processing facility at 420 West Street in the Town (the "Facility"), in accordance with regulations issued by the Commonwealth of Massachusetts Cannabis Control Commission (the "CCC") or other such licensing authorities required by state and local governments (the "Licensing Authorities"), in accordance with 935 CMR 500, ADULT USE OF MARIJUANA; and

WHEREAS, Operator will be licensed to cultivate, process and transport cannabis and marijuana product; and sell or otherwise transfer cannabis and marijuana product to Marijuana Establishments in municipalities throughout the Commonwealth of Massachusetts, but NOT to consumers; and

WHEREAS, Operator is seeking a license from the CCC to operate as a Marijuana Cultivator, Marijuana Product Manufacturer and Marijuana Transporter for the processing and transporting of marijuana for adult use establishment in the Town; and

WHEREAS, Operator will satisfy the purpose and intent of the voters and the Act, by operating a Marijuana Establishment that provides marijuana for adult use, educational materials, and related products, to citizens of the Town and the Commonwealth of Massachusetts; and

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

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 Operator and the Town agree as follows:

- I. Community Impact: The Town anticipates that the Operator's operation of as a Marijuana Cultivator, Product Manufacturer and Transporter 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 municipality by the operation of the marijuana establishment..." ("Town Costs").

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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.

- II. Impact Fee Terms: In order to mitigate the direct and indirect financial impact upon the Town and use of Town resources, the Operator agrees to pay a community impact fee to the Town, in the amounts and under the terms provided herein ("Impact Fee") and subject to the following:
- a. Operator shall submit financial records to the Town within 30 days after payment of the Impact Fees 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.
 - b. In the event Operator executes a Host Community Agreement with any other municipality that pays to said municipality a community impact fee greater than the community impact fee provided in this Agreement, Operator shall pay to the Town the same community impact fee provided to said municipality.
 - c. 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.
- III. Payment: In the event that the Operator obtains a Final License, or such other license and/or approval as may be required to operate as a Marijuana Cultivator, Product Manufacturer and Transporter in the Town by the CCC, or such other state or local licensing or monitoring authority, the Operator shall pay a community impact payment as a percentage of the Operator's gross sales to other Marijuana Establishments calculated at the maximum allowable rate established by the Legislature pursuant to Massachusetts General Laws Chapter 94G as amended from time to time, presently one and three quarters percent (1.75%) of gross sales ("Impact Fees").

Impact Fees 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 begins operating.

- IV. Payment as Condition of Operation, Default and Remedy. Payment as set forth above is necessary for Operator's continued operation in the Town. Failure to make the required

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payments as scheduled and a failure to cure the failure to pay within ten (10) days of the due date, shall constitute default of this Agreement and may serve as cause for Town's immediate termination following ten (10) business days' notice to the Operator by the Town Manager. The Operator shall be in default of this Agreement if any of the following occur:

- a. Operator fails to make the required payments pursuant to Paragraph II above, and such failure is not cured within ten (10) business days of written notification from the Town Manager; or
- b. Operator breaches any other provision of this Agreement, and such failure is not secured within thirty (30) days of written notification from the Town Manager.

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

- V. Local Taxes. At all times during the Term of this Agreement, property, both real and personal, owned or used by the Operator, shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Operator or by its landlord, and neither the Operator nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes.
- VI. Applicability of Host Agreement: The provisions of this Host Agreement apply only to the Operator's use of the Facility to operate a Marijuana Cultivator, Product Manufacturer and Transporter in accordance with 935 CMR 500.
- VII. Security: The Operator shall maintain security at the Facility at least in accordance with a security plan presented to the Municipality and approved by the Licensing Authorities. In addition, the Operator shall at all times comply with Massachusetts and local law regarding security of the Facility. The 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. The Operator will maintain a cooperative relationship with the Uxbridge Police Department, including but not limited to, periodic meetings to review operational concerns and communication to Uxbridge Police Department of any suspicious activities at the Facility.
- VIII. Local Hiring: To the extent permissible by law, the Operator commits to hiring local, qualified employees. In addition to the direct hiring, the 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.
- IX. Improvements to Property: The Operator shall make capital improvements to the Facility such that the Facility will match the look and feel of the Town, consistent with its

presentations and applications to 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.

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. To ensure the same, the Operator shall provide documentation of a bond or other resources held in an escrow account naming the Town in an amount sufficient to adequately support the dismantling and winding down of the Facility. The parties acknowledge that the failure to remove materials in their entirety and within the timeframe set forth as set forth herein will cause actual damage to the Town, which damages are difficult or impracticable to calculate. Thus, the Operator shall pay to the Town as liquidated damages, and not as a penalty, an amount equal Fifty Thousand (\$50,000) Dollars.

- X. Prevention and Notification of Diversion: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department to implement a comprehensive diversion prevention plan, such plan to be in place prior to the Operation Commencement Date. Such plan will include, but is not limited to, (i) training Facility employees to be aware of, observe, and report any unusual activity at the Facility or unusual activity by Facility employees that may indicate the potential for diversion; and (ii) utilizing seed-to-sale tracking software to closely track all inventory at the Facility.

Operator promptly, and no longer than 24 hours following, shall 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.

- XI. Assignment: Neither the Town nor the Operator shall assign, sublet or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided however such consent shall not be required in the event such transfer or assignment is between the Operator and another entity which is authorized by the CCC or other authorizing entity to operate the Facility for the cultivation, manufacture and transport of marijuana, or if such assignment or transfer is the result of a merger or consolidation with the Operator.
- XII. Registration and Approvals Required: The obligations of the Operator and the Town recited herein are specifically contingent upon the obtaining a final certificate of license for the operation as a Marijuana Cultivator, Product Manufacturer and Transporter from the CCC to

operate in the Town, and all necessary local permits and approvals.

If Operator fails to secure licensure from the CCC or any required local approvals, this Agreement shall be null and void, and the proposed business shall not be permitted.

- XIII. Cooperation: Town shall work cooperatively and in good faith with Operator in securing prompt and efficient siting, planning, permitting and preparation for opening the Facility as a Marijuana Cultivator, Product Manufacturer and Transporter, 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.

Operator agrees and understands that the Town's execution of this Agreement does not constitute a local approval under the Town's zoning bylaws or any other town bylaw or regulation and, thus, shall not: (i) require or obligate the Town or its departments or boards to issue such permits and approvals as may be necessary for the Operator to operate its marijuana establishments in the Town; (ii) affect, limit, or control the authority of Town boards, commissions, councils, and departments from carrying out their respective powers and duties to decide upon and to issue, deny, or otherwise act on applicable permits and other approvals under the laws and regulations of the Commonwealth, or the Town's bylaws and regulations; or (iii) cause the Town to refrain from enforcement action against the Operator for violations of the terms and conditions of such permits and approvals, or such laws, regulations and/or bylaws.

- XIV. Emergency Response Information: The 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 Facility.

- XV. On-Site Consumption Prohibited: The Operator agrees that, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana and marijuana-infused products at the Facility.

- XVI. Community Impact Hearing Concerns: The Operator agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the marijuana establishment, including, but not limited to any and all concerns or issues raised at Operator's required Community Outreach Meeting

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relative to the operation of the marijuana establishment; said written policies and procedures, as may be amended from time to time, shall be reviewed and approved 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.

- XXVII. 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.
- XXVIII. 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.
- XIX. Limitation on Operations: The Operator acknowledges and agrees that this Agreement covers the operation of a Facility only for the cultivation, product manufacturing and transportation of marijuana at the Facility 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. The processing, manufacture and wholesale distribution of non-intoxicating CBD products shall be allowed as an additional activity at the facility. No retail sales at the facility are allowed
- XX. 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.
- XXI. 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 Operator.
- XXII. 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.
- XXIII. Compliance: The Operator shall comply with all laws, rules, regulations and orders applicable to the operation of as a Marijuana Cultivator, Product Manufacturer and

Transporter, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approval required for the operation of as a Marijuana Cultivator, Product Manufacturer and Transporter.

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 the Operator's breach of this Agreement or the gross negligence or misconduct of the Operator, or the Operator's agents or employees.

- XXIV. Term and Termination: This Agreement shall have a term of five (5) years, provided however; Sections 2 and 3 regarding payment shall survive until the twentieth quarterly impact payment has been paid in full in accordance with said sections. Notwithstanding the foregoing, this Agreement shall terminate if the Operator ceases to operate a Facility in the Town. Upon termination, this agreement shall have no further force and effect and neither of the parties shall have any further rights, obligations or liabilities to the other party. The Operator shall be required to cease operations at the termination of this Agreement.
- XXV. Retention of Regulatory Authority: By entering into this Agreement, the Town does not waive any enforcement rights or regulatory authority it currently holds over any business in the Town.
- XXVI. 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.
- XXVII. 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.
- XXVIII. 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.
- XXIX. 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 order of the Supervisor of Records or law. Operator shall mark each plan, page, or transmission with the word "Confidential."

- XXX. Modifications: Modifications to this Agreement may only be effective if made in writing and signed by both Parties.
- XXXI. 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.
- XXXII. Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
- XXXIII. Notices. Any and all notices, or other communications required or permitted under this Agreement shall be in writing and shall be addressed as follows:

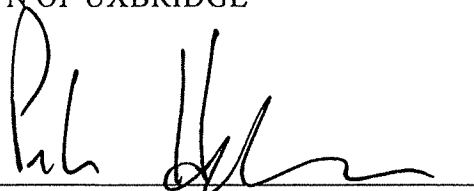
To the Municipality:
Town of Uxbridge
c/o Town Manager
21 South Main Street
Uxbridge, MA 01569


To the Operator:
Michael Brais
420 West Street
Uxbridge, MA 01569

The following signature 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.

TOWN OF UXBRIDGE

For DEEP ROOTS, INC.

By: 
Peter Hechenbleikner
Its: Interim Town Manager
*As Authorized by Vote of the
Board of Selectmen on December 17, 2018*

By: 
Michael Brais,
Its: Manager