

HOST COMMUNITY AGREEMENT
MILLIS, MA

THIS HOST COMMUNITY AGREEMENT (“AGREEMENT”) is entered into this 1st day of August 2016 by and between COMMCAN, INC., a Massachusetts not-for-profit corporation with a principal office address of 730 Main Street, Millis, MA 02054 (“OPERATOR”) and the Town of Millis, a Massachusetts municipal corporation with a principal address of 900 Main Street, Millis, MA 02054 (the “TOWN”).

WHEREAS OPERATOR wishes to locate a Registered Marijuana Dispensary (“RMD”) dispensing facility in the TOWN, in accordance with regulations issued by the Commonwealth of Massachusetts Department of Public Health (“DPH”); and

WHEREAS OPERATOR has obtained a Provisional Certificate of Registration to operate a RMD and is seeking a Final Certificate of Registration from the DPH to operate a RMD in the TOWN at Map 21, Parcel 49 and Map 21, Parcel 52, Millis, MA 02054 (the “FACILITY”); and

WHEREAS OPERATOR intends to provide certain benefits to the TOWN by way of gift or grant in the event that it receives a Final Certificate of Registration to operate a RMD in the TOWN by the DPH and receives all local approvals from the TOWN; and

WHEREAS OPERATOR has obtained a letter of support from the TOWN for the siting and operation of the FACILITY in the TOWN.

NOW THEREFORE, in consideration of the provisions of this AGREEMENT, OPERATOR offers and the TOWN accepts this AGREEMENT and the benefits provided hereunder in accordance with the provisions of G.L c.44, §53A and agree as follows:

1. On the date of the first sale of any product from the FACILITY within the TOWN (“SALES COMMENCEMENT DATE”) OPERATOR shall pay to the TOWN \$25,000.00. Within 30 days of the 1st day of the 19th month following the SALES COMMENCEMENT DATE, OPERATOR shall pay to the TOWN the greater of \$50,000.00, or 3% of gross sales from the FACILITY within the TOWN during months thirteen through eighteen from the FACILITY. Within ninety days of the first day of the 25th month following the SALES COMMENCEMENT DATE, OPERATOR shall pay to the TOWN the greater of \$50,000.00, or 3% of gross sales of the preceding 6 months of sales from the FACILITY. Within 90 days of the first day of the third year following the SALES COMMENCEMENT DATE, and within 90 days of every anniversary date of the SALES COMMENCEMENT DATE thereafter, OPERATOR shall pay to the TOWN, on an annual basis, the greater of: 3% of annual gross sales received by OPERATOR from retail sales at the FACILITY of the preceding year, or \$100,000. There shall be no “cap” or maximum amount when calculating the 3% of gross sales annually. OPERATOR shall notify the TOWN when OPERATOR commences sales within the TOWN.
2. All management staff of the RMD at the FACILITY shall be subject to approval by the DPH.
3. OPERATOR shall work with the Millis Police Department in determining the placement of exterior security cameras, at OPERATOR’s sole expense, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the FACILITY is located. OPERATOR will maintain a cooperative relationship with the Millis Police Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations,

and communication to Millis Police Department of any suspicious activities on the site.

4. If local, qualified employees with sufficient skills and experience apply, except for senior management positions, OPERATOR commits to hiring local, qualified employees to the extent consistent with law. In addition to the direct hiring, OPERATOR will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Millis area where possible.
5. At all times during the Term of this AGREEMENT, property, both real and personal, owned or operated by OPERATOR shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by OPERATOR or by its landlord, and OPERATOR shall not object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes. Notwithstanding the foregoing: (i) if real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, a determination of which the OPERATOR agrees not to seek at any time during this Agreement, 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 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 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 fair cash value as defined in G.L. c. 59, §38 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 OPERATOR under Section 1 of this AGREEMENT.

6. The Town reserves the right to collect sales taxes, or similar transactional taxes, from the Operator, in the event that such collections are authorized by law during the term of this Agreement.
7. If the TOWN receives other payments from OPERATOR (other than additional voluntary payments made by OPERATOR), or from the Department of Revenue, or any other source, the funds for which have been collected by assessment against OPERATOR, including but not limited to taxes imposed by an act of the legislature of the Commonwealth of Massachusetts, or a mandate from the TOWN for said payments, the amounts due from OPERATOR to the Town under the terms of this AGREEMENT shall be reduced by the amount of such other payments.
8. The purpose of this AGREEMENT and the funds granted hereunder is to assist the TOWN in addressing any public health, safety and other effects or impacts the RMD may have on the TOWN. The TOWN shall expend the above-referenced funds in its sole and absolute discretion.
9. This AGREEMENT shall terminate at the time that either of the following occur:
 - a. the TOWN notifies OPERATOR of the TOWN's termination of this AGREEMENT; or
 - b. OPERATOR ceases to operate the FACILITY in the TOWN.
10. The term of this Agreement shall be for a period of five (5) years and shall begin on the SALES COMMENCEMENT DATE. This Agreement shall automatically be reopened for negotiations on the first day of the fourth (4th) year after the SALES COMMENCEMENT DATE to discuss renewal possibilities based upon the then

current fair market value of similar agreements. OPERATOR shall not be required to cease operations at the termination of this Agreement.

11. The obligations of OPERATOR and the TOWN recited herein are specifically contingent upon the issuance by DPH to OPERATOR of a Final Certificate of Registration for the operation of a RMD facility in the TOWN, and all necessary local permits and approvals.
12. Business Records that must be maintained and made available to the DPH pursuant to 105 CMR 725.105.105(I)(5) shall also be available to the TOWN.
13. Recreational Use of Marijuana Waiver Provision: By signing this AGREEMENT, OPERATOR hereby agrees to waive any rights it has or may have in the future to sell adult-use marijuana in the TOWN, without first obtaining approval from the TOWN of Millis Board of Selectmen (the “Board”).
14. OPERATOR shall not assign, sublet or otherwise transfer this AGREEMENT, in whole or in part, without the prior written consent of the TOWN and shall not assign any of the monies payable under this AGREEMENT, except with the written consent of the TOWN, provided, however, that a pledge or assignment of assets, profits or receivables required in connection with financing the business by OPERATOR shall not be considered an assignment for the purposes of this paragraph.
15. This AGREEMENT is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the TOWN nor OPERATOR shall assign or transfer any interest in the AGREEMENT without the written consent of the other.
16. OPERATOR shall comply with all laws, rules, regulations and orders applicable to the operation of a RMD, such provisions being incorporated herein by reference, and

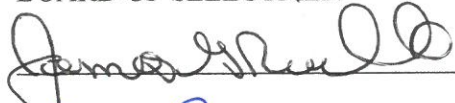
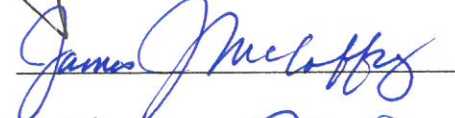

shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of a RMD.

17. Any and all notices, 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, 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 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.
18. 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. Further, OPERATOR agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement.
19. This AGREEMENT shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and OPERATOR submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this AGREEMENT.
20. 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.

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

TOWN OF MILLIS
BOARD OF SELECTMEN

COMMCAN, INC.

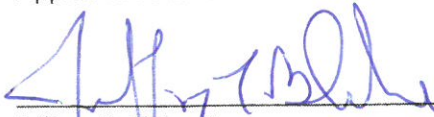
By: 

Title: 

Dated: 8/1/2016

537065/MLLS/0001

Approved as to form



Jeffrey T. Blake, Esq.
KP/Law

Date: 8/23/2016