

## **HOST COMMUNITY AGREEMENT**

This Host Community Agreement (the “HCA”) is entered into by and between the Town of Charlton (the “TOWN”), a municipal corporation duly organized under the laws of the Commonwealth, acting through its Board of Selectmen (the “SELECTMEN”) and Four Score, LLC, a Massachusetts limited liability company with a principal office address of One International Place, Suite 3700, Boston, MA (“LICENSEE”).

This HCA represents the understanding between the TOWN and LICENSEE (the “PARTIES”) with respect to development of a tract of land with improvements located at 144 Sturbridge Road (the “PROPERTY”). The development of the PROPERTY is also subject to a Development Agreement (the “DEVELOPMENT AGREEMENT”), intended to provide benefits to the TOWN in order to secure approval for LICENSEE to develop and utilize the PROPERTY for its intended use of a licensed marijuana cultivator with accessory manufacture and processing uses, which shall be subordinate to the cultivation use and, except as provided herein, shall be limited to cannabis grown on the PROPERTY.

### **RECITALS**

WHEREAS, LICENSEE plans to seek a license from the Cannabis Control Commission and to commence a significant capital investment in the development of the PROPERTY for use as a licensed marijuana cultivator (the “FACILITY”); and

WHEREAS, LICENSEE also plans to seek a license from the Cannabis Control Commission to conduct marijuana manufacturing and processing in the FACILITY, accessory and incidental marijuana cultivation use and, except as provided herein, limited to cannabis grown on the PROPERTY.

WHEREAS, the TOWN recognizes this development and FACILITY will benefit the TOWN and its citizens through increased economic development, additional employment opportunities for residents, the DEVELOPMENT AGREEMENT, and a strengthened local tax base; and

WHEREAS, the PARTIES agree and acknowledge that the TOWN has identified certain concerns with respect to the impact of the construction of the expanded and improved facilities on the PROPERTY, as well as their subsequent operation; and

WHEREAS, the PARTIES intend to enter this HCA as a means of memorializing their obligations with respect to mitigation of these impacts, as well as their intention to collaborate to the fullest extent possible to ensure the proposed improvements and operations occur efficiently:

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the PARTIES hereby agree as set forth herein.

1. The PARTIES respectively represent and warrant that:
  - a. Each is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this HCA, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, bylaw, or regulation, and (ii) do not conflict with, or constitute a default under, any agreement or instrument to which either is a party or by which either party may be bound or affected; and
  - b. This HCA has been duly authorized, executed and delivered, this HCA constitutes legal, valid and binding obligations of each party, enforceable in accordance with its terms, there is no action, suit, or proceeding pending, or, to the knowledge of either party, threatened against or affecting wither wherein an unfavorable decision, ruling or finding would materially adversely affect the performance of any obligations hereunder, except as otherwise specifically noted in this HCA.
2. LICENSEE agrees it is required to seek and obtain a special permit from the Town's Planning Board, in accordance with the procedures and standards set forth in Section 5.20 of the Charlton Zoning Bylaws. In accordance with the procedures set forth in G.L. c.44, §53G, the Planning Board may require LICENSEE to fund, to the extent necessary to review and analyze the special permit application for any proposed facility, the reasonable costs of the Planning Board's employment of outside consultants, including without limitation, engineers, architects, scientists and attorneys.
3. LICENSEE acknowledges and agrees that the marijuana manufacturing and processing use authorized pursuant to this HCA shall only be accessory and incidental to the primary use of the PROPERTY for marijuana cultivation and shall be limited to cannabis grown on the PROPERTY, absent amendment of this agreement, provided that LICENSEE may process marijuana not grown on the premises for the first six months after issuance of a certificate of occupancy.
4. LICENSEE shall remit to the TOWN annual impact fees in the amount of **3%** of the gross revenue from all marijuana and marijuana-infused items. This amount shall be delivered to the TOWN on a quarterly basis, on or by the 90<sup>th</sup> day from the commencement of the payment term ("PAYMENT DATE") and on the same day of each quarter thereafter. The payment term shall be

measured from the first date upon which LICENSEE receives any revenue from the sale of marijuana or marijuana products.

5. These payments shall be made payable to TOWN at the direction of the Town Administrator.
6. These payments shall remain in effect for the full duration of LICENSEE's use of the Facility for the purposes stated herein. In the event such term is deemed to be contrary to law, the payments shall remain in effect for the longer of five years or the maximum period allowed by law, and this agreement shall automatically renew for successive terms of the longer of five years or the maximum period allowed by law. In the event such payments ever cease, this Agreement shall be deemed null and void. Upon voluntary or involuntary termination of the use, and upon delivery to the TOWN of written notice of such termination, payments or benefits shall immediately cease; provided, however, that LICENSEE shall, within seven (7) days of such notice, pay to the TOWN the payments required under paragraph 4 hereof, prorated based upon the number of days that elapsed from the immediately prior PAYMENT DATE to the date of such written notice.
7. LICENSEE shall confer and cooperate with the Charlton Marijuana Advisory Committee ("COMMITTEE") regarding the construction of the FACILITY. The Committee shall review, *inter alia*, proposed exterior aesthetic and/or decorative design choices to ensure the site design fits within the character of its environs as well as the community at large. In the event that external repairs and remodeling are required for subsequent to the initial development of the PROPERTY, LICENSEE shall further consult with the COMMITTEE. LICENSEE shall give due consideration to all reasonable requests and recommendations of the COMMITTEE.
8. LICENSEE is deeply committed to creating a non-discriminatory workplace and a welcoming work environment. Within those strictures, LICENSEE is also deeply committed to being a Good Neighbor to the TOWN. Therefore, where allowed by Federal, State and Municipal laws and regulations, a "Local Labor Hiring Preference" shall exist for all residents of the TOWN applying for employment by LICENSEE at the PROPERTY. That is, within the confines of the law, and all other factors being equal, LICENSEE shall reasonably seek to employ Charlton residents before considering other candidates for open positions.
9. LICENSEE commits to close, ready, and transparent cooperation with the Charlton Police Department. LICENSEE therefore shall facilitate the reasonable provision of real-time access to the internal and external security camera footage feeds to the Chief of Police of the Town of Charlton, or their designated agent within the Charlton Police Department.

10. LICENSEE has committed to a Good Neighbor Policy regarding the TOWN. As an expression of this Policy, LICENSEE shall seek reasonable ways to contribute to the growth, development, and long-term success of the TOWN.
11. The LICENSEE's obligations under the terms of the DEVELOPMENT AGREEMENT are hereby incorporated by reference into this HCA.
12. This HCA may only be modified by the express written consent of both parties.

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this HCA, 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, and will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following addresses:

To Town:

Town Administrator  
Charlton Town Hall  
37 Main Street  
Charlton, MA 01507

Copy to:

Jonathan M. Silverstein  
KP Law, PC  
101 Arch Street  
12<sup>th</sup> Floor  
Boston, MA 02110

To Licensee:

Kurt Smith  
144 Sturbridge Road  
Charlton, MA 01507

Copy to:

Daniel S. Glissman  
One International Place, Suite 3700  
Boston, MA 02110

Each of the PARTIES shall have the right by notice to the other to designate additional persons to whom copies of notices must be sent, and to designate changes in address.

13. If and to the extent that either party is prevented from performing its obligations hereunder by an event of *force majeure*, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties shall instead negotiate in good faith with respect to appropriate modifications of the terms hereof. For purposes of this HCA, the term *force majeure* shall mean the supervening causes described here, each of which is beyond the reasonable control of the affected party: acts of God, fire, earthquakes, floods, explosion, actions of the elements, war, terrorism, riots, mob violence, a general shortage of labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, laws or orders of any governmental or military authorities, or any other cause similar to the foregoing, not within the control of such party obligated to perform such obligation.
14. Failure by LICENSEE to perform any non-monetary term or provision of this HCA shall not constitute a default under this HCA unless LICENSEE fails to commence to cure, correct or remedy such failure within thirty (30) days of receipt of written notice of such failure from the TOWN and thereafter fails to complete such cure, correction or remedy within ninety (90) days of the receipt of such written notice, or, with respect to defaults which cannot be remedied within such ninety (90) day period, within such additional period of time as is required to reasonable remedy such default, if LICENSEE is exercising due diligence in the remedying of such default.
15. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.
16. The failure of any party to strictly enforce the provisions hereof shall not be construed as a waiver of any obligation hereunder. This HCA can be modified only in a written instrument signed by the SELECTMEN and LICENSEE. This HCA shall be binding upon the PARTIES and their successors and assigns.
17. Excluding any Claims (as herein defined) caused by the gross negligence or willful misconduct of the TOWN, the LICENSEE shall indemnify, defend, and hold the TOWN harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees (collectively, the "Claims"), brought against the TOWN, its agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the this HCA and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and consultants of

the TOWN's choosing incurred in defending such claims, actions, proceedings or demands. The LICENSEE agrees, within thirty (30) days of written notice by the TOWN, to reimburse the TOWN for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

18. If any provision of this HCA is adjudicated to be invalid or unenforceable, this HCA shall be void of no effect unless, prior to the expiration of thirty (30) days of any final judgment declaring such provision void, the TOWN's Board of Selectmen votes to ratify the HCA notwithstanding such adjudication. The LICENSEE agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this HCA; and to the extent the validity of this Agreement is challenged, the LICENSEE shall pay for all reasonable fees and costs incurred by the TOWN in defending such challenge; furthermore, the LICENSEE shall pay for all reasonable fees and costs incurred by the TOWN in enforcing this HCA if the Town prevails.

Executed under seal.

**TOWN OF CHARLTON:**

**Board of Selectmen**

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John P. McGrath, Chairman

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Deborah B. Noble, Vice-Chairperson

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Karen A. Spiewak, Clerk

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David M. Singer, Member

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Joseph J. Szafarowicz, Member

**FOUR SCORE, LLC:**

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By: Kurt Smith

Its: Manager