
WORKING DRAFT
PRESENTED TO SELECTMEN 3/19/2018
FOR INFORMATIONAL PURPOSES ONLY

Host Community Agreement
Between
Town of Montague, Massachusetts
and
253 Organic, LLC

This Host Community Agreement ("HCA") is made by and between the Town of Montague, a Massachusetts municipal corporation with an address of One Avenue A, Turners Falls, MA 01376, acting by and through its Board of Selectmen ("Town"), and 253 Organic, LLC, a Massachusetts corporation with a principal place of business of 253 Millers Falls, Rd Turners Falls, MA 01376, ("Operator"). The Town and 253 Organics are collectively referred to as the "Parties."

WHEREAS, Operator intends utilize commercial space located at 253 Millers Falls Road, Turners Falls, MA (the "Premises") for the purposes of operating as a marijuana retailer pursuant to G. L. c. 94G.

WHEREAS, Operator intends to submit an application to the Cannabis Control Commission (the "Commission") for a license to operate as a marijuana retailer at the Premises.

WHEREAS, this HCA shall constitute the stipulations of responsibilities between the Town as host community and Operator pursuant to G. L. c. 94G, § 3 for the Premises.

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 Parties agree as follows:

1. Operator shall make annual community impact payments, pursuant to G. L. c. 94G, § 3 to the Town in the amount of three percent (3%) of gross sales of marijuana and marijuana infused products to consumers from the Premises, provided that if the Legislature raises the current three percent maximum amount of community impact payments that a marijuana retailer may pay to a municipality pursuant to G. L. c. 94G, § 3(d), Operator shall pay a community impact payment based on the highest percentage of gross sales from the Premises and at such rate as allowed by the Legislature.

2. Community impact payments shall be paid by Operator not later than three (3) months following the date of issuance of a certificate of occupancy for use of the Premises and within three (3) months of such date in each year thereafter.
3. It is expressly agreed by the Parties that in the event Operator executes a Host Community Agreement pursuant to G. L. c. 94G, § 3, with any other municipality that pays to said municipality a community impact fee greater than the community impact fee provided in Paragraph 2 of this HCA, Operator shall pay to the Town the same community impact fee provided to said other municipality.
4. Operator shall give hiring preferences to residents of the Town who otherwise meet the qualifications for employment at the Premises.
5. Operator shall coordinate with the Montague 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 Montague Police Department, including but not limited to, periodic meetings to review operational concerns and communication to Montague Police Department of any suspicious activities on the site.
6. 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 Cannabis Control Commission. All records shall be kept for a period of at least seven (7) years. 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 Operator's books and financial records which relate to the determination of the required Annual Payment and to Operator'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 Operator's normal business activities.
7. Operator will create and fund a charitable foundation ("Foundation"), the purpose of which will be to support local community initiatives for the Town. Operator will donate funds to the Foundation in such amount as it determines from time to time. The Foundation's Board of Directors shall have the sole power and authority to determine how to allocate the disbursement of the Foundations' funds among research initiative and community initiatives that the Board of Directors select. The Foundations' Board of Directors will be composed of the Montague Town Administrator or his/her designee, the Montague Director of Community

Development or his/her designee, the Chairman of the Town's Board of Selectmen, and two individuals appointed by Operator.

8. Amendments to the terms of this HCA may be made only by written agreement of the Parties.
9. This HCA 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.
10. Operator agrees to comply with all laws, rules, regulations and orders applicable to the Premises, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of renovation or construction of the Premises.
11. Any and all notices, 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, 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.

12. Operator shall comply with all State and local laws, rules, regulations and orders applicable to the work provided pursuant to this Agreement, 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.
13. 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.
14. If any term or condition of this HCA 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 HCA shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
15. This HCA shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties submit to the

jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

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

TOWN OF MONTAGUE
BOARD OF SELECTMEN

OPERATOR

(Signature)

(Name and Title)

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