

Town of Whately
Host Community Agreement

Dated: December 8, 2021

The parties to this agreement are Whately Cultivation Partners, LLC, a Massachusetts limited liability company with a place of business at 17 Corporate Plaza Drive, Suite 200, Newport Beach, CA 92660, intending soon to establish a principal place of business at 62 Christian Lane, Whately, Massachusetts ("WCP"); and the Town of Whately, Massachusetts, acting by and through its Selectboard, with a place of business at 4 Sandy Lane, Whately, MA ("Town").

WHEREAS, in 2016 a majority of Massachusetts voters, including a majority of Whately voters, legalized the commercial cultivation, processing, product manufacture, distribution, and retail sales of marijuana and marijuana products to adults; and

WHEREAS, in 2018 Whately voters amended the Town's zoning bylaws to regulate the siting, permitting and operation of marijuana establishments within the Town; and

WHEREAS, WCP proposes to operate a Tier 11 commercial, licensed marijuana cultivation facility in the existing greenhouse at 62 Christian Lane, as a tenant under a lease from the prospective new owner of the facility, Mustang Whately Investors, LLC; and

WHEREAS, the proposed changes to the site and use of the facility have been the subject of public hearings by the Whately Planning Board and Zoning Board of Appeals, and have been reviewed by residents and Town officials, following which a special permit was granted by the Zoning Board of Appeals and site plan approval given by the Planning Board; and

WHEREAS, WCP's proposal presents the prospect of other public benefits, both monetary and non-monetary, without the prospect of burdening public resources; and

WHEREAS, no substantial opposition has been raised by local residents to the proposal; and

WHEREAS, Section 3(d) of G. L. Chapter 94G requires a licensed marijuana establishment to have a host community agreement with the municipality in which it is located; and

WHEREAS, the parties intend hereby to stipulate their respective rights, duties, responsibilities and expectations relating to WCP's operation of the facility, and conditions thereof; and

WHEREAS, WCP intends to assign its rights under this HCA to a subsequent cultivator who is contemplated to execute a lease with the owner of the 62 Christian Lane property.

NOW, THEREFORE, in consideration of mutual promises and covenants set forth herein, the parties agree as follows:

1. Term. This agreement shall be effective upon execution and remain in effect until terminated by either party. WCP's obligation to make community impact fee payments required under Section 2(c) shall terminate after five (5) years, as provided therein.

2. Community Impact.

- a. Negative impact. The Town reasonably expects to experience certain negative impacts arising from the operation of WCP's cultivation facility that will subject the Town to additional costs, including but not limited to, potential increase in objectionable odors, increase in demand for police services, increase in demand for educational services, increase in demand for fire services, increase in demand for land use permitting and administrative oversight services, and increase in potential for incidents affecting public safety or security of persons and property.
- b. Positive impact. WCP reasonably expects the Town to experience certain positive impacts arising from the operation of WCP's cultivation operation, namely, an increase in local employment, property taxes, and local vendor priority. In addition, WCP has offered to pay for the acquisition and installation of additional water supply system filters.
- c. Impact fee. WCP shall pay the Town a community impact fee as provided in Section 5, below.

3. Charitable Contribution. In addition to the Impact Fee, WCP shall, annually over five (5) years as provided below, make a charitable contribution to a public charity or cause of its choosing, providing benefits within the Town of Whately. WCP shall include a list of said charitable contributions in its annual report submitted to the Town pursuant to Section 6.

Year	Charitable Contribution
1	\$5,000
2	\$5,000
3	\$10,000
4	\$10,000
5	\$10,000
Total	\$40,000

4. Educational Programming Contribution. In addition to the Impact Fee and the charitable contribution, WCP shall make payments over five years, as provided below, to cover the Town's cost of a science-based K-12 Drug Awareness & Education Program. Said education programming contribution shall be made when remitting payments pursuant to Section 5.

Year	Educational Programming Contribution
1	\$5,000
2	\$5,000
3	\$10,000
4	\$10,000
5	\$10,000
Total	\$40,000

5. Impact Fee. The Community Impact Fee shall be three percent (3%) of WCP's gross sales of marijuana from the cultivation facility. Said fee shall be payable annually, for each of the five years following receipt of a certificate of occupancy for the facility from the local building inspector. The first payment shall be due forty-five (45) days following each of said anniversaries (of C.O. issuance).
6. Reporting. WCP shall submit an annual report to the Town that includes an accounting of its sales over the previous year and a written report of its activities over the same time period that includes a summary of its operations, including any security related incidents. Said report shall be due when remitting payment to the Town pursuant to Section 5.
7. Lapse of Agreement. This agreement shall lapse and be considered null and void if WCP fails to obtain a final license from the Cannabis Control Commission ("CCC") within eighteen months from the date hereof.
8. Stipulation of Responsibilities.
 - a. WCP's Responsibilities. WCP shall:
 - (1) Maintain its cultivation facility premises in a neat and tidy condition and conduct its operations in a businesslike and professional manner, with due regard for the interests of the Town and the community;
 - (2) If contacted by a representative of the Town, shall respond immediately and substantively;
 - (3) Maintain its marijuana establishment license in good standing with the CCC and comply with all applicable CCC regulations and laws and regulations of the Commonwealth of Massachusetts, and all bylaws and regulations of the Town;
 - (4) Comply with any and all conditions imposed by local zoning authorities;
 - (5) Make reasonable efforts to first hire, before others who would perform the task or service in question, local vendors and workers; and otherwise to engage the establishment in the local economic mainstream;
 - (6) Submit security plans for the cultivation facility to the Town's Police Chief and Fire Chief, for approval prior to the start of operations, and to submit updates whenever changes to the plans are made;
 - (7) Upon reasonable notice, make the cultivation facility available for inspection by the Town's Police Chief and/or Fire Chief;
 - (8) Pay, or see to it that payment is made for, all real property and personal property taxes owing with respect to the cultivation facility and its premises when the same are due, and in no event shall WCP apply for a reduction or elimination of such taxes on account of a change in WCP's organization status.

(b) Town's Responsibilities. The Town shall:

- (1) Provide an appropriate forum whereby the views of citizens about WCP's operations may be aired and WCP have the opportunity to address complaints or suggestions that arise concerning WCP's operations;
- (2) Confer and reasonably cooperate with WCP in WCP's installation and use of state-of-the-art security and fire protection/alert systems at the cultivation facility, provided, however that if WCP requests any upgrades to the Town's facilities in connection therewith WCP shall pay the cost thereof;
- (3) Recognize WCP as having all the rights, duties and responsibilities of, and deserving of equal treatment with, other business establishments in the Town.
- (4) If reasonably requested by WCP, provide a letter in the nature of an estoppel certificate, stating that the Town is aware of no outstanding violations of local law or insufficiently addressed complaints.

9. Other. This agreement applies only to the cultivation facility described herein for a Tier 11 cultivation facility. If WCP desires to expand its operations or establish another marijuana establishment in the Town, a new agreement or an amendment to this agreement is required. This agreement may not be amended or assigned without the parties' written consent. Nothing herein shall be construed to limit the lawful authority of the Town's municipal agencies to carry out their duties under state and local law. In the event of changes to G.L. Chapter 94G, Section 3, by statutory amendment or court ruling(s), this agreement shall be subject to review in accordance with said changes.
10. Effective Date and Governing Law. This agreement shall be effective upon its execution. This agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to conflicts of laws principles; and WCP submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this agreement.
11. Severability. If any term or condition of this agreement, 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 agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
12. Assignment. Any assignment of this HCA by WCP shall require the written approval and consent of the Town, acting by and through its Selectboard, including completion of a community outreach process.

Whately Cultivation Partners, LLC

Town of Whately
By the Selectboard

By: Rebecca Dewey

[Signature]

[Signature]

Joyce Palmer Fortune

Date: 12-20, 2021

Date: December 8, 2021



Host Community Agreement Certification Form

Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

WHATELY CULTIVATION PARTNERS, LLC

2. Name of applicant's authorized representative:

REBECCA DEWEY

3. Signature of applicant's authorized representative:

Rebecca Dewey

4. Name of municipality:

WHATELY

5. Name of municipality's contracting authority or authorized representative:

Jonathan Edwards



6. Signature of municipality's contracting authority or authorized representative:



7. Email address of contracting authority or authorized representative of the municipality (*this email address may be used to send municipal notices pursuant to 935 CMR 500.102(1) and 501.102(1).*):

townadmin@whately.org

8. Host community agreement execution date:

12/20/21

