

**EXHIBIT A**  
**Host Community Agreement**  
**between**  
**Town of Heath, Massachusetts and**  
**True Cannabis, Inc.**

This Host Community Agreement (the "Agreement") is entered into this 23 day of November, 2021 (the "Effective Date"), by and between the Town of Heath, a Massachusetts municipal corporation with an address of 1 East Main Street, Heath, Massachusetts 01346, acting by and through its Select Board in reliance upon all of the representations made herein (the "Town"), and True Cannabis, Inc., a Massachusetts corporation, with a principal office address of 1615 S. Telegraph Road, Ste. 300, Bloomfield Hills, Michigan 48302 (the "Company") (the Town and the Company, collectively, the "Parties").

WHEREAS, the Company wishes to locate a licensed Tier 11 Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment on an approximately 55 acre parcel of land in the Town which constitutes a portion of the land known as 11 Bellor Road, Heath, MA 01346, more accurately described by the deed recorded with the Franklin/Hampshire County Registry of Deeds Book 6625, page 34, and on Map 207 and numbered Lot 40 in the Assessor's database (the "Premises"), to be solely limited to the outdoor cultivation, processing and manufacturing of marijuana and marijuana products for adult-use with approximately 100,000 square feet of canopy space (the Marijuana Cultivation Establishment and Marijuana Product Manufacturing Establishment, collectively and individually, the "Establishment"), in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G. L. c. 94G, and 935 CMR 500.00, and such local approvals and permits as may be issued by the Town in accordance with its bylaws and other applicable local regulations and covenants in Town, as may be amended; and

WHEREAS, the Company intends to submit applications to the Cannabis Control Commission (the "Commission") for license(s) to operate a Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite license(s) from the Cannabis Control Commission (the "CCC") or such other state licensing or monitoring authority, as the case may be, to operate a Marijuana Cultivator and/or Marijuana Product Manufacturer at the Premises and receives all required local permits and approvals from the Town; and

WHEREAS, the Parties intend by this Agreement to satisfy the provisions of G.L. c.94G,

§ 3(d), applicable to the Company's operation of a Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment at the Premises, such activities to be undertaken only in accordance with the applicable state and local laws and regulations.

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. Recitals**

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

### **2. Annual Payments**

In the event that the Company obtains the requisite license(s) and/or approval(s) as may be required, for the operation of a Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment in the Town by the CCC, or such other state licensing or monitoring authority, as the case may be, and receives any and all necessary and required permits and licenses from the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which said permits and/or licenses allow the Company to locate, occupy and operate the Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment at the Premises, then the Company agrees to provide the following Annual Payments as described herein on the following terms and conditions; provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of required municipal approvals, the Company shall reimburse the Town for its legal fees and costs associated with the negotiation of this Agreement.

#### **A. Annual Community Impact Fees**

The Company anticipates that, as a result of the Company's operation of a Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment at the Premises, the Town will incur additional expenses and impacts upon the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services, administrative services and public health education and substance abuse counseling services, as well as unforeseen impacts upon the Town. Accordingly, in order to mitigate the direct and indirect financial impacts upon the Town and use of Town resources, both quantifiable and unquantifiable, the Company agrees to pay annual community impact fees to the Town in the amount and under the terms provided herein (the "Annual Community Impact Fees").

1. The Company shall pay Annual Community Impact Fees in an amount equal to one and one-half percent (1.5%) of gross sales from any and all operations of the Marijuana Cultivation Establishment and Marijuana Product Manufacturing Establishment; provided, however, that in no event shall the Annual Community Impact Fees be less than Twenty-Five Thousand and No/100 Dollars (\$25,000.00) or exceed Seventy-Five



Thousand and No/100 Dollars (\$75,000.00) annually. The term "Gross Sales" shall mean the total of all marijuana transactions of the Establishment, including wholesale sales, and shall be determined by arms-length wholesale sales made by the Establishment during the year and shall include all marijuana, marijuana infused products, paraphernalia and any other products cultivated, processed, manufactured, produced, transferred and sold by the Establishment.

2. In the event marijuana or marijuana products cultivated, manufactured and/or processed at the Establishment are sold or otherwise transferred by the Company at any marijuana establishment(s) located outside of the Town that is also owned and controlled by the Company such that the product is not subject to an arms-length sale, the value of such product for purposes of calculating the Annual Community Impact Fees shall be based on the higher of: (i) 50% of the retail price at which such marijuana or marijuana products are sold by such marijuana retailer; or (ii) the highest wholesale price charged by the Company in any arms-length transaction during the preceding twelve (12) months. The Company agrees that calculation of the Annual Community Impact Fees in this manner will be within the statutory cap of three percent (3%) of gross sales under G.L. c.94G §3(d) and the Company waives any claims to the contrary.
3. The Marijuana Cultivation Establishment and Marijuana Product Manufacturing Establishment shall each be deemed to have commenced operations upon receipt of an occupancy permit from the Building Commissioner and the issuance of a final license from the CCC (respectively, for each Establishment, the "Commencement of Operations"). The Annual Community Impact Fees for each Establishment shall be paid by Company to the Town in annual installments with the first payment due on the 1<sup>st</sup> of June following the Commencement of Operations, with the following annual payments due each anniversary on the 1<sup>st</sup> of June thereafter.
4. The Town shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset direct and secondary impact costs related to operation of the Establishment, such as impacts on road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services, public health education and substance abuse counseling services, and any necessary and related legal and enforcement costs, as well as unforeseen impacts upon the Town. The Company acknowledges and agrees that the Town is under no obligation to use the Community Impact Fees in any particular manner. The Parties agree that the amount of the Community Impact Fees set forth herein is reasonably related to the real tangible and intangible mitigation costs imposed upon the Town due to the

Company's activities within the Town.

5. The Community Impact Fees shall each continue for a period of five (5) years from the date of the respective Commencement of Operations for each Establishment and shall be subject to renegotiation for successive terms for as long as the Establishment remains in operation. At least ninety (90) days before the conclusion of each of the respective five year terms, the Parties shall negotiate in good faith new community impact fees to be incorporated as an amendment to this Agreement; provided, however, that if the Parties are unable to reach an Agreement on successor community impact fees, the Community Impact Fees specified in Section 2.A.1 of this Agreement shall be renewed and shall not be reduced below the amount set forth above until such time as the Parties negotiate the terms of the successor community impact fee.
6. 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"). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and have agreed to utilize a fixed percentage of Gross Sales as specified in Paragraph 2.A.1 above in lieu of attempting to determine actual Town Costs incurred. The Company acknowledges that the impacts of its operation may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, the Company acknowledges that the payments due under this Agreement are reasonably related to Town Costs and waives any claims to the contrary.
7. Annual Community 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 the Company or agent thereof if the Company'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.

**B. Additional Costs, Payments, and Reimbursements**

1. Permit and Connection Fees: The Company will pay any and all fees associated with the local permitting of the Establishment. If the Town receives other payments from the Company (other than additional voluntary payments made by the Company), or from the Department of Revenue ("DOR") or any other source, the funds which have been collected by assessment against the Company, 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 the



Company to the Town under the terms of this Agreement shall not be reduced by the amount of such other payments. The Company also hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's building permit fee and other permit application fees, and all other local charges and fees generally applicable to other commercial developments in the Town.

2. Establishment Consulting Fees and Costs: The Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the Establishment, negotiation of this and any other related agreements, and any review concerning the Establishment, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Establishment.
3. Legal Fees and Costs: Any documented Town legal fees and costs associated with the Establishment shall be reimbursed to the Town by the Company within thirty (30) days of the Town's request for the same but only to the extent that such legal fees and cost exceed Seventy-Five Thousand and No/100 Dollar (\$75,000.00).
4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the facility and/or reviewing the facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees; provided however, that such costs shall be pro-rated where applicable.
5. Late Payments: The Company acknowledges that time is of the essence with respect to its timely payment of all payments required under this this Agreement. In the event that any such payments are not fully made within ten (10) days of the date they are due, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

#### C. Annual Charitable/Non-Profit Contributions

The Company, in addition to the Annual Community Impact Fees specified herein, shall annually contribute to a local or regional, non-profit, social-service charities and/or organizations in Town, preferably one that supports the elderly or underprivileged in the greater Heath community, in an amount of no less than Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00). The Annual Charitable Non/Profit Contribution shall be made annually beginning on November 1, 2021 following the Effective Date of this Agreement and shall continue for the term of this Agreement on each anniversary thereafter.

The Parties hereby recognize and agree that any Annual Charitable Non/Profit Contribution to be paid by the Company shall not be deemed a community impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

D. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall notify the Town when it commences operations at each Establishment within seven (7) days of the respective Commencement of Operations. The Company shall submit annual written reports to the Town within thirty (30) days after the payment of each of its annual installments of the Annual Community Impact Fees with a certification of: (1) its annual Gross Sales; and (2) its compliance with all other requirements of this Agreement. During the term of this Agreement, the Company shall, upon request of the Town, appear before a meeting of Select Board to review compliance with the terms of this Agreement. Such meeting shall occur no later than thirty (30) days following written notice from the Town.

The Company's Gross Sales are expected to be reported to the CCC and the DOR. Company 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 and DOR. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town or its agents with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the Commonwealth, including the CCC and DOR, for purposes of obtaining and maintaining a license(s) at the Establishment.

Upon request of the Town, during the term of this Agreement and for three (3) years following the termination of this Agreement, the Company shall have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Annual Community Impact Fees comply with the terms of this Agreement. Such examination shall begin not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to payments required under Section 2 of this Agreement and shall include a certification of itemized annual Gross Sales, and all other information required to ascertain compliance with the terms of this Agreement. The Independent Financial Audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

**3. No Off-Set Payments**

If the Town receives additional payments from the Company, or from the DOR or any other source, the funds for which have been collected by assessment against the Company, 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 the Company to the Town under the terms of this Agreement shall not be reduced by the amount of such other payments.

#### **4. Community Support**

- A. Local Vendors and Employment Preferences - To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Premises and Establishment when such contractors and suppliers are properly qualified and price competitive. The Company shall use its best efforts to give hiring preferences to residents of the Town who otherwise meet the qualifications for employment at the Establishment.

Best efforts shall include actively soliciting bids from Town vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full-time employees first to Town residents before advertising through all typical regional employment advertising outlets. The Company also agrees to make reasonable efforts to utilize women-owned, veteran-owned and minority-owned vendors within the Town.

The Company's annual report to the Select Board shall include information concerning the number of Heath residents employed at the Establishment and a description of the measures taken to fulfill this workforce hiring commitment. The Company shall furnish the Town with such further information and documentation as the Town may reasonably request to support and document compliance with this Agreement.

- B. Approval of Manager - If requested by the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 935 CMR 500.030, or such other state regulations, as the case may be, of the person(s) proposed to act as on-site manager(s) of the Establishment. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town shall consider such request for approval within thirty (30) days following submittal to determine if the person proposed is of suitable character to act as on-site manager. This approval process shall also apply to any change of on-site manager.
- C. Educational Programs - The Company shall use best efforts to provide staff to participate in two (2) educational programs on public health and drug abuse prevention, and to work cooperatively with other Town public safety departments not mentioned in the Agreement. The Company's annual report to the Town shall include information concerning the number of educational programs provided.

#### **5. Vehicle Management**

The Company agrees to: 1) keep any and all vehicles owned by the Company and used in

connection with the delivery and/or transportation of marijuana and other products from the Establishment in the Town, 2) register any and all such vehicles in Town and 3) pay motor vehicle excise taxes on such vehicles to the Town.

#### **6. Local Taxes**

At all times during the Term of this Agreement, property, both real and personal, owned or operated by Company shall be treated as taxable as is other property in Town and all applicable real estate and personal property taxes for that property shall be paid either directly by Company or by its landlord; provided however, that neither Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a nonprofit or agricultural exemption or reduction with respect to such taxes.

Notwithstanding the foregoing, (i) if personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, 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 Company 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 Company 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 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 Company under Section 2 of this Agreement.

#### **7. Security**

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, the Company shall coordinate with the Town's Police Department, in the development, implementation, and approval of security measures, including the placement of exterior security cameras and security plans prior to the Company's Commencement of Operations.

The Company shall maintain a cooperative relationship with the Town's Police Department, including but not limited to, periodic meetings to review operational concerns, delivery schedule and procedures, cooperation in investigations, and communication with the Town's Police Department of any suspicious activities on the Premises or at or in the immediate vicinity of the Establishment, and development of anti-diversion procedures to ensure that marijuana and marijuana products are not being transferred to the illegal market or to minors.

To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Commencement of Operations at the Establishment. Such plan shall include, but is not limited to, (i) training the Company employees to be aware of, observe, and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion; and (ii) utilizing appropriate tracking.



The Company shall promptly report the discovery of the following to Town Police within twenty-four (24) hours of the Company becoming aware of such event: 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, registered qualifying patients, personal caregivers, or dispensary 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 (8) hours; and any other breach of security.

#### **8. Community Impact Concerns**

The Company shall employ its best efforts to work collaboratively and cooperatively with 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 Establishment, including, but not limited to, any and all concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the 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. In addition, at the request of the Town, the Company shall, at the Company's expense, hold community forums for discussion with neighboring residences and businesses owners in order to address community feedback and neighborhood concerns with respect to the operation of the Establishment.

The Company further agrees and acknowledges that in the event the Town receives complaints with respect to the failure to mitigate conditions at the operation of the Establishment, the Company shall be required to meet with the Town, and may be required to implement mitigation measures, at the Company's sole expense, to address the specific nature of the complaints to the satisfaction of the Town.

#### **9. Electrical Usage and Renewable Energy**

To the extent requested by the Select Board, the Company shall report to the Town annually on its energy use and shall include in its annual report a summary of its ongoing strategies to further reduce electrical demand.

#### **10. Lighting**

The Company shall use lighting practices at the Establishment to reduce light pollution and that minimize the impact on maintaining a 'dark sky', by using best practices for outdoor lighting and security lighting such as shielding lights and directing them down, using lighting timers,

selecting lamps with warmer colors, using less light and only where necessary, and shielding any indoor lighting after sunset and before sunrise.

#### **11. Waste and Waste Water Controls**

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, bylaws, and regulations. Liquid waste containing marijuana or by-products of marijuana processing shall be disposed of in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21 §§ 26-53; 314 CMR 3.00: Surface Water Discharge Permit Program; 314 CMR 5.00: Groundwater Discharge Program; 314 CMR 12.00: Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers; the Federal Clean Water Act, 33 U.S.C. 1251 et seq., the National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122, 314 CMR 7.00: Sewer System Extension and Connection Permit Program), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: Industrial Wastewater Holding Tanks and Containers.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater. The Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Establishment. The Company shall consult with the Town regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Town, including, but not limited to, testing requirements and tank holding requirements if necessary.

The Company shall ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.000. When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three (3) years and provide them to the Town upon request.

#### **12. Pest Management**

The Company shall comply with the CCC's Guidance on Integrated Pest Management and shall apply chemical controls judiciously. Pesticides shall not be used as the primary method of pest control. "Minimum-risk (25(b))" pesticides for use in cannabis cultivation may be used in moderation.



### **13. Additional Obligations**

A. Compliance – The Company shall comply with all state and local laws, rules, regulations and orders applicable to the Premises and Establishment, such laws, rules, regulations and orders being incorporated fully 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 and Establishment and as required for the performance of such work.

B. Retained Authority of the Municipality – This Agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Company to operate in the Town, or to refrain from enforcement action against the Company and/or the Establishment for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

C. Annual Inspections – The Company shall voluntarily submit to a minimum of one (1) annual inspection by the Police, Fire and Building Departments to ensure compliance with the terms of this Agreement and other local approvals. This Agreement shall not preclude the Town or any of its departments from conducting inspections at other times during the year to address enforcement matters.

D. Limitation on Use – The Company agrees that, even if authorized under CCC regulations, it shall not engage in delivery to consumers or permit on-site social consumption at the Establishment absent prior written approval from the Town.

E. Hours of Operation – The Company agrees that in no event shall the Establishment be open for wholesale delivery, transportation or any other distribution of marijuana outside the hours of 6 A.M. through 8 P.M. Monday through Sundays.

### **14. Re-Opener/Review**

The Company shall be required to provide to the Town with notice and a copy of any other Host Community Agreement entered into after the Effective Date of this Agreement for any establishment in which the Company, or any controlling person in the Company, has any interest and which is licensed by the CCC as the same type of establishment(s) as the entity governed by this Agreement.

In the event the Company or any controlling person enters into a Host Community Agreement for a Marijuana Cultivation Establishment and/or Marijuana Product Manufacturing Establishment with another municipality in the Commonwealth that contains terms that are superior to what the

Company agrees to provide the Town pursuant to this Agreement, then the Parties shall reopen this Agreement and negotiate an amendment resulting in benefits to the Town equivalent or superior to those provided to the other municipality.

#### **15. Support**

The Town agrees to submit to the CCC, or such other state licensing or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license to operate the Establishment where such compliance has been properly met, but makes no representation or promise that it will act on any request, including, but not limited to any zoning application submitted, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

#### **16. Term and Termination**

This Agreement shall take effect on the Effective Date set forth above and shall be applicable for as long as the Company operates an Establishment in the Town with the exception of the Annual Community Impact Fees, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license from the CCC and all necessary local permits from the Town and commenced operations at the Establishment within two (2) years from the Effective Date, this Agreement shall expire at the election of the Town, and the Company shall be required to negotiate a new host community agreement with the Town in order to operate the Establishment within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

The Town may terminate this Agreement for cause by providing written notice to the Company in the event that: (i) the Company with willful or gross negligence violates any laws of the Town or the Commonwealth with respect to the operation of the Establishment, and such violation remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation; (ii) the Company fails to make payments to the Town as required under this Agreement, and such failure remains uncured for ten (10) days following the Town's issuance to Company of written notice of such violation; or (iii) there is any other material breach of the Agreement by the Company, which material breach remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation. In the event of termination of this Agreement, the Company shall immediately cease all operations at the Establishment.

#### **17. Successors/Assigns**

This Agreement is binding upon the Parties hereto, their successors, assigns and legal representatives. The Company shall not 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



Town, which shall not be unreasonably withheld, delayed, or conditioned, and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) Company's takeover or merger by or with any other entity; (iii) Company's outright sale of assets and equity, majority stock sale to another organization or entity for which Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

## 18. Notices

Any and all notices, consents, demands, requests, approvals 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, and 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:

To: Attn: Town Coordinator  
Heath Town Hall  
1 East Main Street  
Heath, MA 01346

With a copy to: Attn: Town Counsel  
Mark R. Reich, Esq.  
KP Law, P.C.  
101 Arch Street, 12<sup>th</sup> Floor  
Boston, MA 02110

To Company: True Cannabis, Inc.  
Attn: Christopher Yatooma  
1615 S. Telegraph Rd.  
Bloomfield Hills, MI 48302

With a copy to: Fleming Yatooma & Borowicz, PLC  
Attn: Mark R. James, Esq.  
1615 S. Telegraph Rd.  
Bloomfield Hills, MI 48302

## 19. 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 the Town would be substantially or materially prejudiced. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

#### **20. Governing Law**

This Agreement 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.

#### **21. Entire Agreement**

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. 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.

#### **22. Amendments/Waivers**

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by authorized representatives of both Parties to the original Agreement, prior to the effective date of the amendment.

#### **23. Headings**

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

#### **24. Counterparts**

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

#### **25. Signatures**

Facsimile and electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature.

#### **26. 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 and Developer, or



the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

## **27. 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 Town or the Developer.

## **28. Indemnification**

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings, subpoenas, document requests 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 development of the Property and/or the Establishment. 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. The Company 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 Claims.

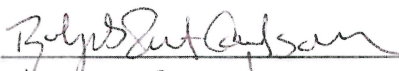

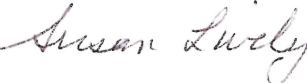
## **29. Representation of Authority**

The Company represents and warrants that it is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this Agreement, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, bylaw, or regulation, and (ii) does not conflict with, or constitute a default under, any agreement or instrument to which the Company is a party or by which the Company may be bound or affected.

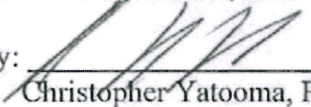
Each person signing this Agreement hereby represents and warrants that he or she has the full authority and is duly authorized and empowered to execute this Agreement on behalf of the party for which he or she signs.

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

**TOWN OF HEATH, by its  
SELECT BOARD:**

**TRUE CANNABIS, INC.**

By:   
Christopher Yatooma, President