



Watertown City Council

Committee on Economic Development and Planning Meeting

Thursday, July 13, 2023 at 6:00 PM

Richard E. Mastrangelo Council Chamber - Second
Floor

Agenda

Pursuant to Chapter 2 of the Acts of 2023, the meeting and public hearing will be conducted with remote opportunities for participation. Remote participation and access methods include:

ACCESS INFORMATION:

- A. This meeting will be held on July 13, 2023 at 6:00 PM. Location: Richard E. Mastrangelo Council Chamber - Second Floor
- B. The meeting will be televised through WCATV (Watertown Cable Access Television): <http://vodwcatv.org/CablecastPublicSite/?channel=3>
- C. The Public may join the virtual meeting online: <https://watertown-ma.zoom.us/j/83549340015>
- D. Public may join the virtual meeting audio only by phone: (877) 853-5257 or (888) 475-4499 (Toll Free) and enter Webinar ID:
- E. Public may comment through email: vpiccirilli@watertown-ma.gov
- F. Please Visit the Committee on Economic Development and Planning Website here: <https://www.watertown-ma.gov/698/City-Council-Committee-Assignments-Meeti>

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- 1. Call to Order
 - 2. Consider Updates to Cannabis HCAs, per Manger Proakis Referral to Committee
 - A. Host Community Agreements
 - 3. Recommendations to City Council
 - 4. Adjournment

ELECTED OFFICIALS

Lisa J. Feltner,
chair

John G. Gannon,
vice chair

Vincent J. Piccirilli Jr.,
secretary

TOWN OF WATERTOWN AND
SIRA NATURALS, INC.

HOST COMMUNITY AGREEMENT

THIS HOST COMMUNITY AGREEMENT ("AGREEMENT") is entered into this 19th day of October, 2020 by and between Sira Naturals, Inc. (a/k/a Eskar, LLC), a Massachusetts domestic profit corporation and any successor in interest, with a principal office address of 300 Trade Center, Suite 7750, Woburn, MA 01801 ("the Company"), and the Town of Watertown, a Massachusetts municipal corporation with a principal address of 149 Main Street, Watertown, MA 02472 ("the Town"), acting by and through its Department of Community Development and Planning in reliance upon all of the representations made herein.

WHEREAS, the Company wishes to locate a licensed Marijuana Retailer establishment and Medical Marijuana Treatment Center (collectively, the "Establishment") for the retail sale of adult- and medical-use of marijuana and marijuana products with approximately 6,896 square feet at a parcel of land located at 48 North Beacon Street, Watertown, MA 02472 more accurately described by the deed recorded with the Middlesex South County Registry of Deeds Book 71275, page 356 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to 935 CMR 501.000 and 935 CMR 500.000 and such approvals as may be issued by the Watertown in accordance with its Zoning Bylaw Section 5.01 and other applicable local regulations; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Massachusetts Cannabis Control Commission (the "CCC") or such other state licensing or monitoring authority, as the case may be, to operate the Establishment 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 operation of Marijuana Retailer and Medical Marijuana Treatment Center such activities to be only undertaken in accordance with the applicable state and local laws and regulations in the TOWN.

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 Company and the Town 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 final licenses and/or approvals as may be required for the operation of a Marijuana Retailer and Medical Marijuana Treatment Center, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to locate, occupy and operate the Establishment in the Town, then the Company agrees to provide the following Annual Community Impact Fee:

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road, inspectional services, permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay an Annual Community Impact Fee to the Town, in the amount and under the terms provided herein.

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of gross sales from marijuana and marijuana product sales at the Establishment. The term "gross sales" shall mean the total of all sales transactions of the Establishment without limitation, whether wholesale or retail, and shall include but not be limited to all sales occurring at the Establishment, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Establishment.

The Annual Community Impact Fee shall be made annually within 60 days following the end of each 12 months of operation, and shall continue for a period of five (5) years. At the conclusion of the fourth year, parties shall negotiate in good faith the terms of a new Annual Impact Fee as an Amendment to this Agreement that shall take effect upon the conclusion of the initial five year period.

2. The Town shall use the above referenced Annual Community Impact Fee as it deems appropriate in its sole discretion, but shall make a good faith effort to allocate said payments to offset costs related to inspectional services, public health and addiction services, permitting and consulting services, as well as unforeseen impacts upon the Town.

B. Additional Costs, Payments and Reimbursements

1. **Permit and Connection Fees:** The Company hereby acknowledges and agrees to pay the usual and customary building permit and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.

2. Facility Consulting Fees and Costs: The Company shall reimburse the Town for any and all reasonable and customary consulting costs and fees related to any land use applications concerning the Establishment and any review concerning the Establishment, including planning, engineering, 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. Other Costs: The Company shall reimburse the Town for reasonable and customary costs incurred by the Town in connection with holding public meetings not held in public buildings and forums not within the Town's regularly scheduled public hearings and meetings, which are solely devoted to discussing the Establishment.
4. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made within fifteen (15) days of the dates provided in section 2.A.1 above, the Company shall be required to pay the Town the late payment penalty equal to 5% of the payment.

C. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, agrees to be a full participant within the Town by charitably supporting various local nonprofit organizations. The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first anniversary following the commencement of the operations and shall continue for the term of this Agreement. The Facility shall be deemed in operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a final License and "Commence Operations" at the Establishment from the CCC.

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

The Company shall submit an annual written report to the Town within 30 days after the payment of its Annual Community Impact Fee with a certification of its annual sales. The Company shall maintain 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. 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 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 CCC and Massachusetts Department of Revenue for purposes of obtaining and maintaining a license for the Establishment.

During the term of this Agreement and for three years following the termination of this Agreement, the Company shall agree upon request of the Town to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company if a discrepancy is found upon the Town's

review of the Company's submitted financial records. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Annual Community Impact Fee are in compliance with the terms of this Agreement. Such examination shall be made 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 the payment, and shall include a certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort 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 Establishment when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

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

Notwithstanding the foregoing, (i) if real or 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 the 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 the 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 the Company under Section 2 of this Agreement. Nothing in this paragraph shall prohibit The Company from seeking an abatement due to a claim of an excess valuation.

5. 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, as the case may be, the Company shall work with Town's Police Department in reviewing all security plans prior to implementation and commencement of operations.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Establishment and with regard to any anti-diversion procedures.

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.

The Company shall implement a comprehensive diversion prevention plan to prevent diversion of marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the commencement of operations at the Establishment. The Company shall present the diversion plan as prepared pursuant to 935 CMR 500.000 to the Police Department for its review and feedback and work collaboratively to implement any suggested changes, amendments or modifications to address local concerns.

6. Community Impact Hearing Concerns

The Company agrees to conduct a Community Outreach Meeting prior to commencement of operations to work collaboratively and cooperatively with its neighboring businesses and residents and shall make a good faith effort to respond to the concerns raised. After said meeting, the Company will provide the Town a written report describing the comments made and issues raised at the meeting and the Company's response or actions planned to address those comments and issues. The Company shall meet at least annually at the invitation of the Town to review and address any complaints and/or concerns raised during the previous year.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a final license from the CCC for operation of the Establishment in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the establishment in the Town.

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 Establishment to operate in the Town, or to refrain from

enforcement action against the Company for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

8. 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 other license or permit request, including, but not limited to any zoning application submitted for the Facility, 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.

9. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the Establishment in the Town with the exception of the Annual Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d), which shall be governed by the provisions of Paragraph 2.A of this Agreement.

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 Facility within two years from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Establishment within the Town. The Town Manager, 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.

10. Successors/Assigns

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 from the Town, in each instance, which consent shall not be unreasonably withheld, conditioned, or delayed and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. The Company shall not assign, sublet, or otherwise transfer this Agreement without 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) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

11. 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 Town: Mr. Michael J. Driscoll
Town Manager
Watertown Administration Building
149 Main Street
Watertown, MA 02472

To Company: Mr. Louis F. Karger
Treasurer and Secretary
Sira Naturals, Inc.
300 Trade Center, Suite 7750
Woburn, MA 01801

12. 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. 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.

13. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

14. 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.

15. Amendments/Waiver:

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.

16. 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.

17. 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.

18. Signatures.

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

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

20. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Establishment in the Town or relocates the Establishment out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of the Annual Community Impact Fee due to the Town hereunder shall be calculated based upon the period of occupation of the Establishment within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

21. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of action, defenses, proceedings and/or costs and expenses, including attorney's fees, 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, but specifically excluding such matters

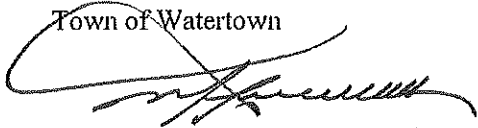
caused by the fraud or willful misconduct of the Town, its agents, departments, officials, employees, insurers and/or successors. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing incurred in defending such claims, actions, proceedings or demands. 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 claim, action, proceeding or demand. As a condition of indemnification pursuant to this Section, the Town shall: (a) notify the Company within a reasonable period of time of any matter concerning which the Town may seek indemnification hereunder; (b) at the request of the Company give the Company control over the investigation, defense and/or settlement of such matter; and (iii) reasonably cooperate in such investigation, defense and/or settlement.

22. 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 the Town or the Company.

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

Town of Watertown



Name: MICHAEL J. DRISCOLL

Position: TOWN MANAGER

On behalf of the Town of Watertown

Sira Naturals, Inc.



David Rosenberg

President

On behalf of Sira Naturals, Inc.



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:

Sira Labs, Inc.

2. Name of applicant's authorized representative:

David Rosenberg, President

3. Signature of applicant's authorized representative:

[Signature]

4. Name of municipality:

TOWN OF WATERTOWN

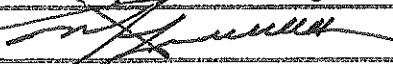
5. Name of municipality's contracting authority or authorized representative:

MICHAEL J. DRISCOLL, TOWN MANAGER

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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).*):

TOWNMGR@WATERTOWN-MA.GOV

8. Host community agreement execution date:

OCTOBER 19, 2020



TOWN OF WATERTOWN
AND
NS AJO HOLDINGS, INC.

AMENDED AND RESTATED
HOST COMMUNITY AGREEMENT

THIS AMENDED AND RESTATED HOST COMMUNITY AGREEMENT (the “**AGREEMENT**”) is entered into this 26th day of February, 2021 by and between NS AJO HOLDINGS, INC., a Massachusetts incorporated company, and any successor in interest, with a principal office address of 67 Dana Street, #1, Cambridge, MA 02138, (the “**Company**”), and the Town of Watertown, a Massachusetts municipal corporation with a principal address of 149 Main Street, Watertown, MA, 02472 (the “**Town**”).

WHEREAS, the Company currently operates a recreational marijuana retail establishment (a “**Retail Establishment**”) on the property located at 23 Elm Street, Watertown, MA 02472 (the “**Property**”), in accordance with and pursuant to applicable state laws and regulations, including, but not limited to 935 CMR 500.00, and such approvals as may be issued by the Town in accordance with its Zoning Ordinances and other applicable local regulations (the “**Facility**”); and

WHEREAS, the Company opened a Medical Marijuana Treatment Center as defined by the Commonwealth of Massachusetts Department of Public Health (the “**DPH**”) as an entity registered under 935 CMR 501.000, known as a registered marijuana dispensary (an “**RMD**”), and is seeking to co-locate a Retail Establishment in accordance with 935 CMR 500.00 and 935 CMR 502.000, subject to all required local permits and required licenses from the CCC (as defined below); and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Commonwealth of Massachusetts Cannabis Control Commission (the “**CCC**”), or such other state licensing or monitoring authority, as the case may be, to operate the Facility 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 operation of the Facility, such activities to be only undertaken in accordance with the applicable state and local laws and regulations in the Town; and

WHEREAS, the parties intend for this Agreement to be separate and apart from the Host Community Agreement for the Siting of a Registered Marijuana Dispensary in the Town of Watertown previously entered into between the parties, which prior agreement shall remain in full force and effect notwithstanding the execution of this Agreement.

WHEREAS, the Town and the Company entered into a Host Community Agreement (the “**Prior Agreement**”) on November 18, 2019, which sets forth the terms and conditions of the

Company's operation of an adult use marijuana retail establishment (the "**Retail Establishment**") at 23 Elm Street, Watertown, MA 02472; and

WHEREAS, the Town and the Company desire to amend and restate the Agreement in its entirety as provided herein, replacing the Prior Agreement with this Agreement in all respects, to permit the relocation of the Retail Establishment from 23 Elm Street, Watertown, MA 02472 to 390 Arsenal Street, Watertown, MA 02472;

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 Company and the Town 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 licenses and/or approvals as may be required for the operation of a Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Annual Payments:

A. Community Impact Fee

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, and permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay an **Annual Community Impact Fee** to the Town, in the amount and under the terms provided herein.

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of the Gross Sales (as defined herein) at the Facility.

For purposes of this Agreement, the term "Gross Sales" shall mean the total of all sales of Marijuana or Marijuana-infused Products, paraphernalia, and any other products sold at the Facility, whether wholesale or retail, but shall not include Medical Marijuana sales relating to the Registered Marijuana Dispensary which is covered by a separate agreement. Gross Sales shall not include: (a) the amounts of all refunds, credits, allowance and adjustments made to customers; and (b) the

amounts of state or local sales tax or similar tax imposed by any governmental authority.

2. The Annual Community Impact Fee shall be made quarterly per the Town's fiscal year (July 1- June 30). The Annual Community Impact Fee for the first quarter of operation shall be prorated. This Annual Community Impact Fee shall continue for a period of five (5) years (the "**Term**"). At the conclusion of each of the respective five year terms, the parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Community Impact Fee.
3. 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 costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services and permitting and consulting services, as well as unforeseen impacts upon the Town.

B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges its duty to pay the Town's building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
2. Facility 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 Facility, negotiation of this and any other related agreements, and any review concerning the Facility, 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 Facility. In no event shall the Company be responsible for reimbursing the Town for costs associated with the operating of the Town's offices in their regular and customary course, including, but not limited to wages for Town employees.
3. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made with ten (10) days of the date they are due, the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make

full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

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

The Company shall submit annual financial statements to the Town within 30 days after the payment of its Annual Community Impact Fee with a certification of its annual sales. The Company shall maintain 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. All records shall be kept for a period of at least two (2) years. Upon request by the Town, the Company shall provide the Town 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 CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility. Examinations of the Company's records 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 and financial records are maintained. The Town's examination or audit, as aforesaid, shall be conducted in such manner as to not interfere with Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort 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 Facility when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

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

Notwithstanding the foregoing, (i) if real or 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 the 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 the 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 the Company under Section 2 of this Agreement.

5. 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, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures.

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.

6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that arise through its operation of the Facility, 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 Facility.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a license for operation of the Facility in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the Facility in the Town.

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 Ordinances of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, ordinances, 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 Facility to operate in the Town, or to refrain from enforcement action against the Company and/or its Facility for violation of the terms of said permits and approvals or said statutes, ordinances, and regulations.

8. Support

The Town agrees to submit within 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 Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

9. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above and shall be applicable for as long as the Company operates the Facility in the Town, with the exception of the Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has failed to use best efforts to secure a final license from the CCC and all necessary local permits from the Town and commenced operations at the Facility within two years from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Town, 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.

10. Successors/Assigns

Neither the Company nor the Town shall assign, sublet, or otherwise transfer their rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided however such consent shall not be required in the event such transfer or assignment is between the Operator and another entity which is authorized by the CCC or other authorizing entity to operate the Facility for dispensing of marijuana, or if such assignment or transfer is the result of: (i) an affiliate entity of the Company; or (ii) an entity which controls, is controlled by, or is under the common control of the Company; or (iii) to an entity into or with which Company may be merged or consolidated or by which it is acquired.

11. 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 Town: Mr. Michael J. Driscoll
Town Manager
Watertown Administration Building
149 Main Street
Watertown, MA 02472

With a copy to:

Mark R. Reich, Esq.
Town Attorney
KP Law, P.C.
101 Arch Street
12th Floor
Boston, MA 02110-1109

To Company: NS AJO Holdings, Inc.
Attn: Alex Hardy, COO
20 Authority Drive
Fitchburg, MA 01420

12. 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 either party would be substantially or materially prejudiced.

13. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

14. 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.

15. Amendments/Waiver:

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.

16. 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.

17. 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.

18. Signatures.

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

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

20. Nullity

This Agreement shall be null and void in the event that the Company does not locate a Retail Establishment in the Town or relocates the Facility out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Annual Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Facility within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

21. 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 the Town or the Company.

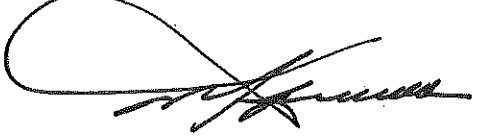
22. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of action, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, its agents, departments, officials, employees, insurers and/or successors, by any third party arising from the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be

charged at regular and customary municipal rates, of the Town's choosing incurred in defending such claims, actions, proceedings or demands. 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 claim, action, proceeding or demand.

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

TOWN OF WATERTOWN



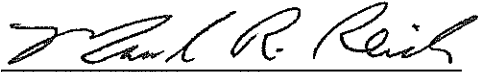
Michael J. Driscoll
Town Manager
On behalf of the Town of Watertown

NS AJO HOLDINGS, INC.



Aidan O'Donovan
President
On behalf of NS AJO HOLDINGS, INC.

Approved as to legal form



Mark R. Reich, Esq.
Town Attorney

**TOWN OF WATERTOWN
AND
NS AJO HOLDINGS, INC.**

**AMENDED AND RESTATED
HOST COMMUNITY AGREEMENT
FOR THE SITING OF A
REGISTERED MARIJUANA DISPENSARY
IN THE TOWN OF WATERTOWN**

This Amended and Restated Host Community Agreement (“**Agreement**”) is entered into pursuant to M.G.L. 44, §53A this 26th day of February, 2021 by and between NS AJO Holdings, Inc. a Massachusetts not-for-profit corporation with a principal office address of 67 Dana Street, #1, Cambridge, MA 02138 (the “**Operator**”) and the City known as the Town of Watertown, a Massachusetts municipal corporation with a principal address of 149 Main Street, Watertown, MA 02472 (the “**Town**”).

WHEREAS, Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for medical purposes through Chapter 369 of the Acts of 2012, An Act for Humanitarian Medical Use of Marijuana; and

WHEREAS, Massachusetts, acting through the Commonwealth of Massachusetts Department of Public Health (the “**DPH**”) implemented regulatory framework for the regulation of the use of marijuana for medical purposes through 105 CMR 725.000 *et. seq.* (the “**Regulations**”); and

WHEREAS, Operator wishes to locate and operate a Medical Marijuana Treatment Center at 390 Arsenal Street, Watertown, MA 02472 in accordance with the Town’s Zoning Ordinances and the Regulations (the “**Facility**”); and

WHEREAS, A Medical Marijuana Treatment Center is defined by the DPH as a not-for-profit entity registered under 105 CMR 725.100, to be known as a registered marijuana dispensary (an “**RMD**”), that acquires, cultivates, possesses, processes (including development of related products such as edible MIPs provided that they shall not bear a reasonable resemblance to any product available for consumption as a commercially available candy, tinctures, aerosols, oils, or ointments), transfers, transports, sells, distributes, dispenses, or administers marijuana, products containing marijuana, related supplies, or educational materials to registered qualifying patients or their personal caregivers. Unless otherwise specified, RMD refers to the site(s) of dispensing, cultivation, and preparation of marijuana; and

WHEREAS, Operator intends to serve its non-profit purpose of providing marijuana for medical use, educational materials, and related products, to medical use of marijuana patients in Town and throughout the Commonwealth of Massachusetts; and

WHEREAS, The Town enacted Ordinance #59 (0-59-2014), an ordinance amending the Town’s Zoning Ordinance regarding Medical Marijuana Treatment Centers and related uses for patients

HOST COMMUNITY AGREEMENT | – TOWN OF WATERTOWN, MA

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with a debilitating medical condition to allow a Medical Marijuana Treatment Center by Special Permit in the I-1, I-2, I-3 and RMUD Zoning Districts, which it may amend further from time to time (the “**Town’s Zoning Ordinance**”); and

WHEREAS, Operator intends that its Facility will engage in the sale of medical marijuana for medical purposes as may be permitted by the DPH, and for those purposes, seeks to locate the Facility in the RMUD Zoning District pursuant to a Special Permit; and

WHEREAS, The Facility shall comply with the buffer requirements set forth in 105 CMR 725.110(A)(14) and the Town’s Zoning Ordinance; and

WHEREAS, Operator intends to provide certain benefits to the Town in the event that it obtains a Final Certificate of Registration to operate an RMD in the Town and has received all required local permits and approvals; and

WHEREAS, Operator has applied for, and received, a certificate of registration from the DPH to operate the Facility at 23 Elm Street, Watertown, MA; and

WHEREAS, Operator is seeking a letter of support/non-opposition from the Town regarding Operator’s application for the DPH License; and

WHEREAS, notwithstanding the anticipated benefits to certain members of the community, the Facility may impact town resources in ways unique to the business of the Facility and draw upon Town resources in a manner not shared by the general population;

WHEREAS, the Town and the Company entered into a Host Community Agreement (the “**Prior Agreement**”) on July 12, 2017, which sets forth the terms and conditions of the Company’s operation of a medical marijuana treatment center (the “**Retail Establishment**”) at 23 Elm Street, Watertown, MA 02472; and

WHEREAS, the Town and the Company desire to amend and restate the Agreement in its entirety as provided herein, replacing the Prior Agreement with this Agreement in all respects, to permit the relocation of the Retail Establishment from 23 Elm Street, Watertown, MA 02472 to 390 Arsenal Street, Watertown, MA 02472;

NOW, THEREFORE, in consideration of the, provisions of this Agreement, the Operator and the Town enter into this Agreement in accordance with G.L c.44, §53A, on the following terms:

1. **Community Impact Donation**: The parties anticipate that the Town will incur additional expenses and impacts upon the Town’s road system, law enforcement, fire protection services, inspectional services and permitting services, public health services, and potential additional unforeseen impacts upon the Town. Accordingly, in order to mitigate the financial impact upon the Town and use of Town resources, the Operator shall provide as a gift to the Town a community impact donation (the “**Community Impact Donation**”) in the amounts and payable at such times as described in Section 2 hereof.

HOST COMMUNITY AGREEMENT | – TOWN OF WATERTOWN, MA

2 | P a g e

The Treasurer of the Town shall hold the Community Impact Donation in a separate account, to be expended by the Town Council without further appropriation pursuant to G.L. c.44, §53A, for the purposes of addressing the potential health, safety, and other effects or impacts of the Facility on the Town and on municipal programs, services, personnel, and facilities. The Funds shall be used at the Town's sole discretion, as determined by the Town Council. Notwithstanding the Community Impact Donation, nothing shall prevent the Operator from making additional donations from time to time to causes that will support the Town, including but not limited to local drug abuse prevention/treatment/education programs.

2. Payments: Subject to adjustment or modification as set forth in the fourth paragraph of this section, Operator shall provide as a gift to the Town the greater of either (a) an annual total of Two Hundred Thousand Dollars and 00/100 (\$200,000.00), or (b) 6% of the Gross Sales generated annually at the Facility. For the purposes hereof, "**Gross Sales**" shall mean the total of all sales of Medical Marijuana or products containing Medical Marijuana, transactions conducted at the Facility. In either case, the Community Impact Donation Payments shall begin on the first day of the thirteenth month following the date of commencement of sales in the Town (the "**Sales Commencement Date**") and each year on the same date thereafter.

Operator shall set aside an additional One Hundred Thousand Dollars and 00/100 (\$100,000.00) annually for the purpose of reimbursing the Town for any verified expenses incurred by the Town. Such expenses include but are not limited to additional demands on local law enforcement agencies, including but not limited to police details, and other emergency services.

Operator shall notify the Town when Operator commences sales within the Town. Operator shall provide the Town with copies of its periodic financial filings to the DPH documenting Gross Sales, and also a copy of its annual filing as a non-profit, if any, to the Massachusetts Office of the Attorney General.

3. Taxes: The Operator will pay all local, state and federal taxes as required by applicable law, as now existing or as hereafter may from time to time be enacted, repealed or modified. The Operator shall not request any tax credits or subsidy from the Town for the development of land or the Facility, including, but not limited to, any request for a real estate tax exemption or abatement as a non-profit corporation, and shall not object or otherwise challenge the taxability of land or the Facility. Notwithstanding the foregoing, (i) if real or personal property 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

HOST COMMUNITY AGREEMENT | – TOWN OF WATERTOWN, MA

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 Community Impact Donation made by Operator under Section 2 of this Agreement.

4. Community Impact Donation as Compensatory: The Community Impact Donation referenced herein shall be compensatory to the Town of all impacts of the Facility's operation in the Town including all reasonable indirect cost. Nothing herein shall be construed to exempt the Facility from payment of local, state and federal taxes as contemplated in Section 3 hereinabove.
5. Local Hiring: The Operator shall work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders who are Watertown residents, where possible. Town residency shall be a positive factor in hiring decisions at the Facility.
6. Approval of Manager: If requested by the Town, Operator shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 105 CMR 725.030, of the person proposed to act as on-site manager of the RMD. The Town shall consider such request for approval within thirty (30) days following submittal to determine, in consultation with the Police Chief, if the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied, conditioned or delayed if the Town denies such approval and the DPH has approved said manager pursuant to the Regulations. This approval process shall also apply to any change of on-site manager.
7. Prevention of Diversion: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Sales Commencement Date. Such plan will include, but is not limited to, (i) training RMD employees to be aware of, observe, and report any unusual behavior in patients, caregivers, authorized visitors or other RMD employees that may indicate the potential for diversion; (ii) strictly adhering to certification amounts and time periods (per DPH guidelines); (iii) rigorous patient identification and verification procedures through the DPH Online System; (iv) utilizing seed-to-sale tracking software to closely track all inventory at the RMD; and (v) refusing to complete a transaction if the patient or caregiver appears to be under the influence of drugs or alcohol.
8. Non-Medical Marijuana: The Operator, its successors, assigns or related parties hereby agrees to waive any rights it has or may have to cultivate, sell or process non-medical marijuana or to operate a Marijuana Establishment as defined in G.L. c.94G §1 for non-medical use at the site of its RMD Facility within the Town and hereby agrees that it shall not engage in cultivating, selling or processing marijuana and marijuana products for

non-medical use within the Town without first obtaining prior written approval or authorization from the Town and complying with all State and local regulations and obtaining all necessary State and local licenses and permits. The Company further agrees that in the event the Company becomes licensed and permitted to operate a Marijuana Establishment at the same location as the RMD, the parties shall renegotiate the terms of this Agreement, including but not limited to increasing the amount of the payments to be made to the Town, in recognition that the additional purposes of the RMD may have greater impacts and effects on the Town. In no case shall the annual Donation Payments be reduced from the amounts specified in this Agreement.

9. Security: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department in determining the placement of interior and exterior security cameras, 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 shall maintain a cooperative relationship with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communication to the Police Department of any suspicious activities on or in the immediate vicinity of the Facility and with regard to any anti-diversion procedures. Such camera(s) may be altered by the DPH during their security and architectural review process upon approval by the Police Department.
10. Registration and Approvals Required: Anything contained herein to the contrary notwithstanding, the obligations of the Operator and the Town recited herein are specifically contingent upon the Operator obtaining a final Certificate of Registration for the operation of a RMD from the DPH to operate the Facility in the Town, and the Operator's receipt of all necessary local permits and approvals. If Operator fails to secure either a final Certificate of Registration, or any of the required municipal approvals aforementioned, this Agreement shall be null and void; however, in such circumstances, Operator shall reimburse the Town for its legal fees associated with the negotiation of this Agreement.
11. Cooperation: The Town shall work cooperatively and in good faith with the Operator in securing the prompt and efficient siting, planning, permitting and preparation for opening of the Facility and any other municipal requirements for operating a RMD, provided that nothing herein shall require the Town to waive any review and approval rights set forth in applicable statutes or regulations, and provided further that the Town shall retain the right to provide comments and recommendations regarding the Facility, including but not limited design and security
12. Support for Registration: The Town shall support the Operator's application for registration of its RMD by the DPH, and work with Operator to assist in securing such registration.

This Agreement shall 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 Ordinances of the Town, or applicable regulations of those boards, commissions, and departments, or to enforce said statutes, ordinances 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 Facility to operate in the Town, or to refrain from enforcement action against the Operator for violation of the terms of said permits and approvals or said statutes, ordinances, and regulations.

13. Assignment: This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Operator shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, and shall not assign or obligate any of the monies payable under this Agreement, without the prior written consent of the Town, which consent shall not be unreasonably withheld provided, however, that such consent shall not be required in the event such transfer or assignment is between the Operator and another affiliated entity (the “**Affiliated Entity**”) which will utilize the Facility for the purposes allowed herein and shall fully comply with the terms of this Agreement, and which is duly authorized by the DPH or other authorizing entity, or if such assignment or transfer is the result of a merger, acquisition, or consolidation with the Operator. For the purposes hereof, an “Affiliated Entity” shall mean an entity which is under common control with and/or an entity having related parties to (and any such related party transactions between entities have been approved by the DPH) the Operator.
14. Compliance: Operator shall comply with all laws, rules, regulations and orders applicable to the operation of an 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 an RMD.
15. Retention of Regulatory Authority: By entering into this Agreement, the Town does not waive any enforcement rights or regulatory authority it currently holds over any business in the Town.
16. 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 will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following addresses:

If to TOWN: Michael J. Driscoll, Town Manager
149 Main St.

Watertown, MA 02472

If to OPERATOR: NS AJO Holdings, Inc.
Attn: Alex Hardy, COO
20 Authority Drive
Fitchburg, MA 01420

17. 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. Further, Operator agrees 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 in a court of competent jurisdiction, Operator shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.
18. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
19. Entire Agreement: 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.
20. Termination: 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 a RMD in the Town.

In the event of termination of this Agreement pursuant to sub-sections a) or b) of this section, this Agreement shall have no further force and effect and neither of the parties shall have any further rights, obligations or liabilities to the other party, provided that Sections 10, 17, 22 and 23 hereof shall remain in full force and effect.
21. Term: This Agreement shall remain in place for the life of the Facility unless both parties agree otherwise. In the event Operator relocates the Facility to a different location within

the Town, the terms of this agreement shall apply to such relocated Facility for the life of such Facility.

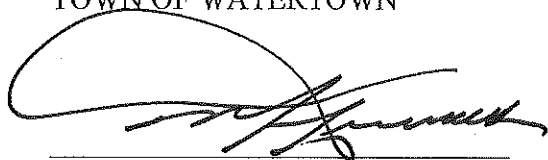
22. Appropriation. The Treasurer of the Town shall hold the Community Impact Donation Payments in a separate account, to be expended by the Town Manager without further appropriation pursuant to G.L Chapter 44, Section 53A. While the purpose of this agreement is to assist the Town in addressing any public health, safety and other effects or impacts the Facility may have on the Town or impacts of the Facility on the Town and on municipal programs, services, personnel, and facilities, the Town may expend the Community Impact Donation Payments at its sole and absolute discretion, as determined by the Town Council.
23. Confidentiality: Operator may provide to the Town certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "**Confidential Information**"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or at any time thereafter, disclose to any person or entity, any Confidential Information, except as may be required by court order or law. This agreement shall be subject to the requirements of the Massachusetts Public Records Law.
24. Waiver: Except as otherwise provided herein, the obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.
25. Amendment and Modification: This Agreement may only be amended or modified by a written document duly executed by both of the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the Town and the Operator.
26. Headings: The article, section, and paragraph headings in this Agreement are for convenience of reference only, are no part of this Agreement and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.
27. Counterparts: This Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
28. Signatures. Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

29. Third-Party Beneficiaries. 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 Company.
30. The Town may terminate this Agreement at any time by providing written notice to the Operator.

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

TOWN OF WATERTOWN

NS AJO HOLDINGS, INC.



Michael J. Driscoll
Town Manager
On behalf of the Town of Watertown



Aidan O'Donovan
President
On behalf of NS AJO HOLDINGS, INC.

Approved as to legal form



Mark R. Reich, Esq.
Town Attorney

TOWN OF WATERTOWN AND
BUD'S GOODS & PROVISIONS CORP.

HOST COMMUNITY AGREEMENT

23rd THIS HOST COMMUNITY AGREEMENT ("AGREEMENT") is entered into this day of July, 2020 by and between BUD'S GOODS & PROVISIONS, CORP., a Massachusetts corporation, and any successor in interest, with a principal office address of 12 Pennsylvania Avenue, Newton, Massachusetts 02464 ("the Company"), and the TOWN OF WATERTOWN, a Massachusetts municipal corporation with a principal address of 149 Main Street, Watertown, MA, 02472 ("the Town"), acting by and through its Town Council in reliance upon all of the representations made herein.

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment (the "Marijuana Establishment") for an adult use marijuana storefront retailer establishment within approximately 5,000 square feet of an existing building (the "Facility") at 330-350 Pleasant Street, Town of Watertown Assessor's Parcel ID 219-10A-0, in accordance with and pursuant to applicable state laws and regulations, including, but not limited to 935 CMR 500.00 and such approvals as may be issued by the Town in accordance with its Zoning Ordinance and other applicable local regulations; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from THE CANNABIS CONTROL COMMISSION (THE "CCC") or such other state licensing or monitoring authority, as the case may be, to operate the Marijuana Establishment 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 operation of Marijuana Establishment, such activities to be only undertaken in accordance with the applicable state and local laws and regulations in the Town.

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 Company and the Town 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 licenses and/or approvals as may be required for the operation of a Marijuana Establishment, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to

locate, occupy and operate the BUD'S GOODS & PROVISIONS, CORP. in the Town, then the Company agrees to provide the following Annual Payments: An amount equal to three (3%) of the gross sales from marijuana and marijuana product sales from the Marijuana Establishment. The term "gross sales" shall have the same meaning as defined in Paragraph 2.A.1 below.

Provided, however, if the Company fails to secure any such other license and/or approval as may be required, or any of the required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement.

A. Community Impact Fee

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, and permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay an Annual Community Impact Fee to the Town, in the amount and under the terms provided herein.

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of gross sales from marijuana and marijuana product sales at the Facility. The term "gross sales" shall mean the total of all sales transactions of the Facility without limitation, whether wholesale or retail, and shall include but not be limited to all sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility.
2. The Annual Community Impact Fee shall be made Annually within sixty (60) days following the end of each twelve (12) months of operation, and shall continue for a period of five (5) years. At the conclusion of each of the respective five year terms, the parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Community Impact Fee.
3. 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 costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services and permitting and consulting services, as well as unforeseen impacts upon the Town.

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

The Company shall submit annual financial statements to the Town within 30 days after the payment of its Annual Community Impact Fee with a certification of its annual sales. The Company shall maintain 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. 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 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 CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility

During the term of this Agreement and for three years following the termination of this Agreement the Company shall agree, upon request of the Town to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company, such audits not to be conducted more than two times every five years without good cause. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Annual Payments are in compliance with the terms of this Agreement. Such examination shall be made 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 the payment, and shall include a certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort 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 BUD'S GOODS & PROVISIONS, CORP. when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

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

Notwithstanding the foregoing, (i) if real or 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 the 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 the 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 the Company under Section 2 of this Agreement.

5. 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, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the BUD'S GOODS & PROVISIONS, CORP., and with regard to any anti-diversion procedures.

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.

6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its 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 Facility, 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 Facility; 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.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a license for operation of BUD'S GOODS & PROVISIONS, CORP. in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate BUD'S GOODS & PROVISIONS, CORP. in the Town, 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 associated with the negotiation of this agreement.

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 Ordinances of the Town of Watertown, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, Ordinances, 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 a BUD'S GOODS & PROVISIONS, CORP. to operate in the Town, or to refrain from enforcement action against the Company and/or its BUD'S GOODS & PROVISIONS, CORP. for violation of the terms of said permits and approvals or said statutes, Ordinances, and regulations.

8. Re-Opener/Review

The Company or any "controlling person" in the Company, as defined in 935 CMR 500.02, shall be required to provide to the Town notice and a copy of any other Host Community Agreement entered into 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 as the entity governed by this agreement.

In the event the Company or any controlling person enters into a Host Community Agreement for Marijuana Establishment with another municipality in the Commonwealth that contains financial terms resulting in payments of a Community Impact Fee or other payments totaling a higher percentage of gross sales for the same type of establishment than the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in financial benefits to the Town equivalent or superior to those provided to the other municipality.

9. 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 Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

10. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates BUD'S GOODS & PROVISIONS, CORP. in the Town with the exception of the Community Impact Fee, 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 Facility within two years from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Board of Selectmen, 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.

11. Successors/Assigns

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 from the Town, and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town, such consent not to be unreasonably withheld, conditioned or delayed. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the Town nor the Company shall assign, sublet, or otherwise transfer any interest in the Agreement without the written consent of the other.

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

12. 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 Town: Michael J. Driscoll
 Town Manager
 Town Hall
 149 Main Street
 Watertown, MA 02472

To Company: Alexander Mazin, President
 BUD'S GOODS & PROVISIONS, CORP.
 12 Pennsylvania Avenue
 Newton, MA 02464

With a copy to: Brian S. Grossman
Bowditch & Dewey, LLP
200 Crossing Boulevard, Suite 300
Framingham, MA 01702

13. 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.

14. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

15. 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.

16. Amendments/Waiver:

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.

17. 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.

18. 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.

19. Signatures.

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

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

21. Nullity

This Agreement shall be null and void in the event that the Company does not locate a Marijuana Establishment in the Town or relocates the Marijuana Establishment out of the Town, provided, however, that if the Company decides not to locate a Marijuana Establishment in the Town, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Annual Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Marijuana Establishment within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

22. Indemnification

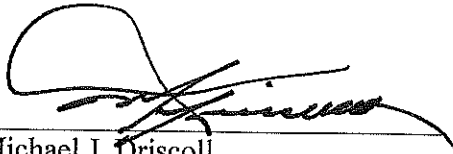
The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of action, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, its agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing incurred in defending such claims, actions, proceedings or demands. 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 claim, action, proceeding or demand.

23. 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 the Town or the Company.

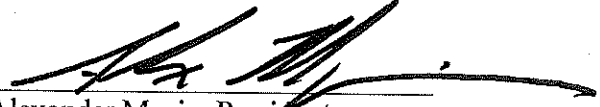
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF WATERTOWN



Michael J. Driscoll
Town Manager,
On behalf of the
TOWN OF WATERTOWN

BUD'S GOODS & PROVISIONS,
CORP.



Alexander Mazin, President
On behalf of BUD'S GOODS &
PROVISIONS, CORP.