

Town of Littleton AND
Community Care Collective

HOST COMMUNITY AGREEMENT

THIS HOST COMMUNITY AGREEMENT ("AGREEMENT") is entered into this ²⁰20 day of September, 2021 by and between Community Care Collective, Inc., a Massachusetts corporation with a principal office address of 37 Spartan Arrow Road, Littleton MA, and any successors in interest authorized as provided for below (the "Company") and the Town of Littleton, a Massachusetts municipal corporation with a principal address of 37 Shattuck Street, Littleton (the "Town") acting by and through its Select Board in reliance upon all of the representations made herein (the Company and the Town hereinafter collectively referred to as the "Parties").

WHEREAS, the Company wishes to locate an Adult Use Marijuana Establishment for the cultivation and manufacturing of marijuana and marijuana products in a 16,183 square foot space, within the building located at 537 Great Road, Littleton, MA, shown on Assessor Map R-18, Parcel 14-9 (the "Facility"), 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 bylaw and other applicable local regulations; and

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

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

WHEREAS, the Company intends to provide certain benefits to the Town of Littleton in the event that it receives the requisite License from the 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, Section 3(d), applicable to the operation of the Facility, such activities to be only done 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 Parties agree as follows:

1. Recitals

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

2. Representations and Warranties

The Parties respectively represent and warrant that:

- a. Each is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this Agreement, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, bylaw, or regulation, and (ii) do not conflict with, or constitute a default under, any agreement or instrument to which either is a party or by which either party may be bound or affected; and
- b. Once this Agreement has been duly authorized, executed and delivered, this Agreement constitutes legal, valid and binding obligations of each party, enforceable in accordance with its terms; and
- c. There is no action, suit, or proceeding pending, or, to the knowledge of either party, threatened against or affecting wither wherein an unfavorable decision, ruling or finding would materially adversely affect the performance of any obligations hereunder, except as otherwise specifically noted in this Agreement.

3. Annual Payments

In the event that the Company obtains the requisite licenses and/or approvals as may be required for the operation of an Adult Use Marijuana Cultivator and Adult Use Marijuana Product Manufacturer, and receives any and all necessary and required permits and licenses of the Town of Littleton for same, 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 its adult use marijuana cultivation and manufacturing uses in the Town of Littleton, then the Company agrees to provide the following Annual Payments:

A. Community Impact Fee

The Company anticipates that the Town of Littleton will incur additional expenses and impacts on the Town of Littleton'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 one percent (1%) of wholesale sales of marijuana or marijuana products produced at the Facility, all as tracked by the State through the Metrc database and a report will be provided to the Town.
2. The Annual Community Impact Fee shall be paid for a term of five (5) years that begins on the date that Company transfers the first finished marijuana cultivated or the first marijuana product produced at the Facility for sale to itself or to a third party (the "Commencement Date"). Company will provide written

notice of the Commencement Date to the Town.

3. The first Annual Community Impact Fee shall be paid to the Town in a single payment within 60 days following the conclusion of the first 12 months of operation beginning on the Effective Date. The Annual Community Impact Fee shall thereafter be paid in two installments per year, with payments delivered within 60 days following the conclusion of each six (6) months of operation.
4. The Town shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset its costs reasonably related to the operation of the Facility, which shall be deemed to include for purposes of this Agreement, without limitation: Impacts to the road and other infrastructure systems; traffic mitigation measures and/or improvements implemented by the Town; law enforcement activities including, without limitation, calls and responses associated with the Facility, increased inspections of public property deemed by law enforcement to be at increased risk of unauthorized cannabis consumption or intoxication, training in diversionary practices and security precautions, effects of cannabis intoxication, and any other cannabis-related training; fire protection services; inspectional services; public health and addiction services provided by the Town; Town grants to Littleton Coalition Against Addiction and/or other third-party organizations providing services relating to substance abuse prevention, addiction recovery, mental health and suicide prevention; permitting and expert consulting services; public education relating to substance abuse prevention, including both in-school and after-school programs and training and seminars for members of the general public; training for Town boards and staff; administrative and legal costs associated with the operation of the Facility in Town, the administration and enforcement of the terms of this Agreement; and any other unforeseen impacts upon or costs incurred by the Town of Littleton.
5. Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment...” Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs, and waives any claims to the contrary.

B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, its obligation to pay all usual and customary Town of Littleton building permit fees 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 of Littleton.

2. Facility Consulting Fees and Costs: The Company shall reimburse the Town of Littleton for any and all reasonable consulting costs and fees related to any land use applications concerning the Facility, the 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.
3. Other Costs: The Company shall reimburse the Town of Littleton for the actual costs incurred by the Town of Littleton in connection with holding public meetings and forums devoted principally to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.
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 with ten (10) days of the date they are due, the Company shall be required to pay the Town of Littleton 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 of Littleton concurrent with the payment of its Annual Community Impact Fee with a statement from the Company that the financial statements provided are a true and accurate report 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 of Littleton, 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. 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 of Littleton 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.

4. 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 Community Care Collective when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town of Littleton residents. This Section 4 shall not require the Company to purchase goods or services from its direct competitors located in the Town of Littleton, or their related entities (i.e. Littleton Apothecary, LLC, or its related entities).

5. 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.

6. 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 reviewing and approving 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 Facility and with regard to any anti-diversion procedures to ensure that the marijuana and marijuana products sold in the Facility are not being transferred to the illegal market or to minors.

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 Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any suggested changes, amendments or modifications to address local concerns.

The Company shall make the Facility available for annual inspections by the Town's Police Department, Town's Fire Department, Building Department and Board of Health as a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility.

The Company further agrees that all signage and packaging for marijuana products shall comply with applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and further agrees that to the extent 935 CMR 500.000 imposes more stringent requirements on packaging, labeling, marketing or the form of permitted edibles, the Company will comply with the more restrictive regulatory provisions.

7. Site Improvements and Operations

[Intentionally left blank].

8. 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 reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable 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.

9. Additional Obligations

The obligations of the Company and the Town of Littleton 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 Community Care Collective 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.

10. Retention of Regulatory Authority

By entering into this Agreement, the Town does not waive any enforcement rights or regulatory authority it currently holds over businesses in 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 of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, 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 Community Care Collective to operate the Facility 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, and regulations.

11. Support

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

12. Term

This Agreement shall take effect on the date set forth above, and shall be effective until the expiration of ten (10) years from the Commencement Date or until the permanent cessation of operations at the Facility, whichever is earlier. Notwithstanding the foregoing, the Town shall retain the right to enforce the terms of this Agreement up to and through the date that it receives the final annual payment required pursuant to Section 3.A.3 above.

Prior to the conclusion of the first five (5) years of the term, the parties shall either (a) negotiate a new Impact Fee in accordance with the then current prevailing regulations and laws as such regulations and laws may be amended or replaced or (b) in the event that such laws and regulations applicable to Impact Fees have not been materially amended or replaced, enter into an agreement to extend the Impact Fee at the same rate for the duration of the Term of this Agreement.

At or prior to the conclusion of the ten (10) year Term of this Agreement, the parties shall enter into a successor Host Community Agreement.

In the event that the Company no longer does business in the Town or in any way loses or has its license revoked by the Commonwealth, this Agreement shall become null and void; provided, however, the Company will be responsible for the prorated portion of the Annual Payment due under Section 2 above. The Company shall provide written provide notice to the Town Administrator of the date it intends to commence sales at least thirty (30) days prior to such date.

13. 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 of Littleton, and shall not assign any of the monies payable under this Agreement, except by and with

the written consent of the Town of Littleton and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town of Littleton. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the Town of Littleton 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 of Littleton.

14. 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 of Littleton: Town Administrator
 Select Board
 Littleton Town Hall
 37 Shattuck Street
 Littleton, MA 01460

Copy To:
Miyares and Harrington LLP
Christopher Heep, Esq.
40 Grove Street, Suite 190
Wellesley, Ma 02482

To Company: Community Care Collective
 David Giannetta
 37 Spartan Arrow Road
 Littleton, MA 01460

Copy To: Vicente Sederberg LLP
 Phillip C. Silverman
 800 Boylston Street, 26th Floor
 Boston, Ma 02199

15. Severability

If any term of 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.

16. 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.

17. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town of Littleton 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.

18. 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 all signatories to the original Agreement, prior to the effective date of the amendment.

19. 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.

20. 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.

21. Signatures.

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

original signature.

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

23. Nullity

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

24. 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 Littleton Select Board

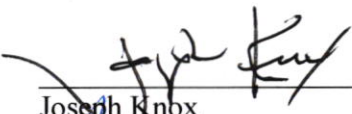


Charles DeCoste, Chair

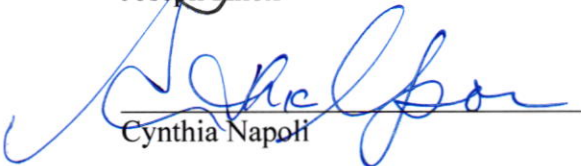


Paul Glavey, Vice Chair

~~_____
Matthew Nordhaus, Clerk~~

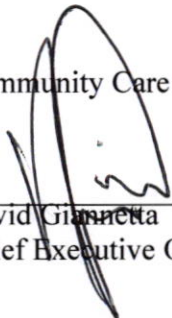


Joseph Knox



Cynthia Napoli

Community Care Collective, Inc.



David Giannetta
Chief Executive Officer