

HOST COMMUNITY AGREEMENT

This Host Community Agreement (the “Agreement”) is entered into this __ day of February 2020 (the “Effective Date”) by and between the Town of Littleton, acting by and through its Board of Selectmen, with a principal address of 37 Shattuck Street, Littleton, MA 01460 (the “Town”) and G7 Lab, LLC, a Massachusetts limited liability company with a principal office address of 160 Ayer Road, Unit 3, Littleton MA 01460 (the "Company"). The Town and the Company are hereinafter collectively referred to hereafter as the “Parties”.

WHEREAS, the Company is the lessee of the property at 160 Ayer Road, Unit 3, Littleton, MA (“the Premises”);

WHEREAS, the Company proposes to seek a license from the Cannabis Control Commission to operate an Independent Testing Laboratory within the meaning of 935 CMR 500.002 to conduct a research and quality control testing laboratory qualified to test cannabis or marijuana in compliance with M.G.L. c.94G, §15 and 935 CMR 500.160 (the “Facility”) at the Premises:

WHEREAS, M.G.L. c. 94G, §3(d) requires that:

[a] marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center. An agreement between a marijuana establishment or a medical marijuana treatment center and a host community may include a community impact fee for the host community: provided, however, that the community impact fee shall be reasonably related to the costs imposed upon the city by the operation of the marijuana establishment or medical marijuana treatment center and shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or medical marijuana treatment center or be effective for longer than 5 years. Any cost to a city or town imposed by the operation of a marijuana establishment or medical marijuana treatment center shall be documented and considered a public record as defined by clause Twenty-sixth of section 7 of chapter 4;

WHEREAS, M.G.L. c. 94G, §12(h) requires that “[e]ach licensee shall file an emergency response plan with the fire department and police department of the host community”;

WHEREAS, the Company and the Town each enter into this Agreement with the intention of being bound by its terms such that this Agreement shall be fully enforceable by a Court of competent jurisdiction;

WHEREAS, the Company and the Town intend by this Agreement to satisfy the provisions of M.G.L. c.94G, §3(d) applicable to the operation of the Facility in Littleton.

NOW THEREFORE, in accordance with M.G.L. c. 94G and the regulations of the Cannabis Control Commission promulgated thereunder as 935 CMR 500.00 *et seq.*, the Company agrees as follows:

1. **Representation as to Leasehold.** The Company represents that the use of the Premises for its Facility is expressly permitted under the terms of its lease of the Premises.
2. **Compliance.** The Company shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of an Independent Testing Laboratory in Littleton and shall comply with all laws, rules, bylaws or ordinances, regulations and orders applicable to the operation of an Independent Testing Laboratory, such provisions being incorporated herein by reference, including, but not limited to: M.G.L. c. 94G and the regulations of the Cannabis Control Commission as the same may be amended from time to time; and the Town of Littleton General Bylaws, Sign Bylaws, and Zoning Bylaws, as may be amended from time to time.
3. **Community Impact Fee.** Based on the representations of the Company, the Facility will not have more than a few employees and it will not be visited regularly by any members of the general public. As a result the Parties do not anticipate as of the date of this Agreement that the Facility will have impacts on the Town that are different in kind from other office or laboratory uses. The Company shall not be required to pay a community impact fee to the Town; provided, however, that if the Company's operation of the Facility result in impacts and/or costs to the Town, then the Parties shall promptly and in good faith enter into negotiations to establish a community impact fee that is reasonably related to such impacts and/or costs.
4. **In-kind Testing Services.** In an effort to show goodwill to the surrounding community and to demonstrate its support for local law enforcement initiatives, the Company will provide the Town with analytical laboratory services at no cost to the Town, which services will include providing analytical testing of cannabis and cannabis-infused products at the request of the Town's law enforcement in which such substances are subject to investigation, providing expert advice on the cannabis industry and educational support in the form of workshops and compliance classroom events. The precise nature of the services provided to the Town may change over the course of the term (defined herein), but in no event shall the value of the complimentary analytical laboratory services exceed \$8,000 annually in gross value. The Town understands and acknowledges that the Company's agreement to provide complimentary analytical laboratory services is contingent upon the Company's receipt of licensure from the Cannabis Control Commission to operate an Independent Testing Laboratory, and local approvals for the same. If the Company does not receive licensure from the Cannabis Control Commission to operate an Independent Testing Laboratory, the Town acknowledges and agrees that the value cap on the services to be performed under this Agreement may be reduced.

If any term or condition deemed unlawful concerns the right of the Town to receive such services, the parties agree that such services shall constitute a grant or

donation for the purposes set forth herein.

5. **Term.** The term of this Agreement shall be five (5) years commencing on the date listed in paragraph 1, above, unless sooner terminated by:
 - a. Revocation of the Company's license by the Cannabis Control Commission; or
 - b. The Company's voluntary or involuntary cessation of operations; or
 - c. The Town's termination or this Agreement for breach of the conditions contained herein that remain uncured 60 days from the date of notice of such breach

after which time, this Agreement shall become null and void.

If the Company should voluntarily cease all operations in Littleton, the Company shall immediately notify the Town in writing, including the effective date of cessation of operations, whereupon this Agreement shall become null and void except that the Company shall continue to provide analytical testing of cannabis and cannabis- infused products through the date of termination of the operation. The Town may terminate this Agreement at any time during the Term of this Agreement.

6. **Hours of Operation.** The Company's hours of operation shall be limited to 6:00 a.m. to 12:00 p.m. seven days per week. Deliveries of samples for testing shall only occur between the hours of 9:00 a.m. and 5:00 p.m.
7. **Real and Personal Property 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 exemption from paying 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.
8. **Community Support and Additional Obligations.**
 - a. Local Vendors — To the extent such practice and its implementation are consistent with federal, state and municipal laws and regulations, the Company shall make a diligent effort and shall use good faith efforts in a legal and non-discriminatory manner to give priority to qualified 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.

- b. Employment/ Salaries — Except for senior management, and to the extent such practice and its implementation are consistent with federal, state and municipal laws and regulations, the Company shall use good faith efforts in a legal and non- discriminatory manner to give priority to hire qualified residents of Littleton as employees and to encourage diverse hiring at the Facility.
- c. Approval of Manager - If requested by the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 105 CMR 725.030. or such other state regulations, as the case may be, of the person proposed to act as on-site of the Facility. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town shall consider such request for approval within thirty 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 reasonably denied, conditioned or delayed. This approval process shall also apply to any change of on-site manager.
- d. Education – The Company shall provide staff to participate in Town-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with any of the Town's public safety departments to mitigate any potential negative impacts of the Facility.
- e. Reporting - The Company shall, at least annually, provide the Town with copies of all reports submitted to the Cannabis Control Commission and Massachusetts Department of Revenue and all other public agencies to whom licensing applications or supporting information must submitted regarding Company's operations at the Facility.

9. Non-Opposition to Application.

- a. The Town agrees to submit to the Cannabis Control Commission documentation that it has entered into this Host Community Agreement as of the date identified in paragraph 1 above, and that the Facility is generally permissible at the Premises subject to the Company obtaining all necessary local permits. The Town agrees to not oppose the application to the Cannabis Control Commission but makes no representation or promise that it will act on any other license or permit request in any particular way other than by the Town's normal and regular course of conduct and in accordance with its bylaws, rules and regulations and any statutory guidelines governing them.
- b. This agreement shall not affect, limit or control the authority of any 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 required or obligated to issue permits and approvals as may be necessary for the Company to operate its Facility in Littleton, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws and regulations.

10. Security.

- a. The Company shall maintain security at the Facility in accordance with a security plan presented to the Town and approved by the Cannabis Control Commission and the Town. In addition, the Company shall at all times comply with state and local requirements regarding security of the Facility which compliance shall include, but not be limited to compliance with the security and traffic management plan and emergency response plan and access to surveillance operations; and requiring independent testing lab agents to produce their agent ID card to law enforcement upon request.
- b. In addition to the requirements of Section 10.a, the Company shall, prior to the commencement of operations, submit to the Town's Police Chief and Fire Chief, and obtain their respective approval of, security, traffic management and emergency response plans which include at a minimum: (i) A description of the location and operation of the security system, including the location of the central control on the premises; (ii) a schematic of security zones; (iii) the name of the security alarm company and monitoring company, if any; (iv) a floor plan or layout of the facility identifying all areas within the facility and grounds, including support systems and the internal and external access routes; (v) the location and inventory of emergency response equipment and the contact information of the emergency response coordinator for the laboratory; (vi) the location of any hazardous substances and description of any public health or safety hazards present at the site; (vii) a description of any special equipment needed to respond to an emergency at the laboratory (viii) an evacuation plan; (ix) any other information relating to emergency response as requested by the Littleton Fire Department or the Littleton Police Department. The Company shall also place no fewer than two security cameras within and outside of the area located to provide an unobstructed view in each direction of the public way(s) on which the facility is located.

11. Cooperation. The Company will work cooperatively with all necessary municipal departments, boards, commissions and agencies to ensure that Company's operations are compliant with all municipal bylaws, ordinances, codes, rules and regulations. The Company shall maintain a cooperative relationship with the Town's Police and Fire Departments and shall meet no less than once every year, or upon request of the Town's Chief of Police, to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communication to 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. Such plan shall include, but is not be limited to, training Company employees to be aware of, observe and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion.

12. **Governing Law.** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.
13. **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 Parties, prior to the effective date of the amendment.
14. **Severability.** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the 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, the Company 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 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.
15. **Successors/Assigns.** Company shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town and shall not assign any of the moneys 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 (as may be approved by the Town as provided for above).
16. **Entire Agreement.** This Agreement 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.

17. **Notices.** Except as otherwise provided herein, any 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 address:

If to the Town:
Town Administrator
Town of Littleton
37 Shattuck Street, PO Box 1305
Littleton, MA 01460

With a copy to:

Town Counsel:
Thomas J. Harrington
Miyares and Harrington LLP
40 Grove Street • Suite 190
Wellesley, MA 02482

If to the Company:
Shankar Gautam, Manager
G7 Lab LLC
160 Ayer Road, Unit 3
Littleton, MA 01460

With a copy to:

Counsel for Company:
Blake M. Mensing
The Mensing Group LLC
100 State Street, 9th Floor
Boston, MA 02109

In witness thereof, the Parties hereto have duly executed this Host Community Agreement on the date set forth above.

Town of Littleton

G7 Lab, LLC

Joseph Knox, Chair

Shankar P. Gautam, Manager

Cynthia Napoli, Vice Chair

Chuck DeCoste

Chase Gerbig

Paul Glavey