

**FIRST AMENDMENT TO HOST COMMUNITY AGREEMENT
BETWEEN CITY OF AMESBURY AND
CNA STORES, INC.**

This First Amendment (the "Amendment") is entered into is entered into this 8 day of October, 2024 (the "Effective Amendment Date"), by and between the City of Amesbury, a Massachusetts municipal corporation with a principal address of 62 Friend Street, Amesbury, Massachusetts, acting by and through its Mayor in reliance upon all of the representations made herein (the "Municipality"), and CNA Stores, Inc., a business entity certified and recorded with the Massachusetts Secretary of the Commonwealth, with a principal place of business of 57 South Hunt Road, Amesbury, Massachusetts (the "Company") (the Company and Municipality collectively, referred to as the "Parties" and each a "Party").

RECITALS

WHEREAS, the Parties entered into a Host Community Agreement (the "Agreement") on or about August 26, 2024, with respect to the Company's use of land known as 57 South Hunt Road, Amesbury, Massachusetts for certain marijuana establishment operations, as more fully set forth therein;

WHEREAS, Chapter 180 of the Acts of 2022, "An Act Relative to Equity in the Cannabis Industry" (the "Act"), amends G.L. c. 94G, §3 relative to host community agreements effective November 9, 2022;

WHEREAS, the Cannabis Control Commission (the "Commission") amended its regulations at 935 CMR 500.000, et seq. (the "Amended Regulations"), to implement the Act;

WHEREAS, the Commission issued a notice of noncompliance to the Parties on or about September 20, 2024 (the "Noncompliance Determination"), highlighting certain provisions of the HCA as "noncompliant" with the Amended Regulations;

WHEREAS, the Noncompliance Determination mandates that the Parties "rectify the noncompliant issues identified" and the Commission has informed the Company that it will not grant its license to operate a marijuana establishment in Amesbury until those "issues" are rectified;

WHEREAS, the Parties dispute whether the Act bestows upon the Commission jurisdiction to review indemnification provisions in host community agreements and whether the Amended Regulations are invalid and ultra vires; and

WHEREAS, notwithstanding the aforementioned, the Municipality is amenable to amending the Agreement to address the specific language identified as "noncompliant" in the Noncompliance Determination as set forth herein so that the Company may operate in Amesbury.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part thereof.
2. The Effective Date of the Agreement, as that term is defined in the Agreement, shall be August 26, 2024.
3. The last sentence of Section 12 of the Agreement, entitled "Indemnification", shall be stricken in its entirety.
4. Except as expressly set forth in this Amendment, all other provisions of the Agreement shall remain and continue in full force and effect. Any reference in the Agreement to the "Agreement" shall be deemed to also refer to this Amendment.
5. In the event of any inconsistencies between this Amendment and the Agreement, the terms of this Amendment shall prevail.
6. If any term or condition of this Amendment 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 Amendment shall not be deemed affected thereby unless the Municipality would be substantially or materially prejudiced. In addition, in the event that any term or condition of this Amendment or any application thereof shall to any extent be made impractical or illegal pursuant to changes in state law and/or the Commission's regulations, or as the result of a judicial determination as to the validity or invalidity of same, the Parties shall reopen this Amendment, at the request of the Municipality, and negotiate an amendment to address such term(s) and/or condition(s).
7. Further, the Company hereby represents that at the time of execution of this Amendment, based upon the Company's diligent inquiry, it determined to its satisfaction that the provisions of this Amendment are valid, binding and enforceable.
8. Capitalized terms used herein, but not otherwise defined, shall have the meanings set forth in the Agreement.
9. This Amendment 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 Amendment by signing one or more counterparts.
10. Each Party hereto represents and warrants that it is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this Amendment, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, ordinance, or regulation, and (ii) does not conflict with, or constitute a default under, any agreement or instrument to which the Company is a

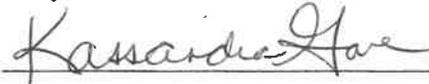
party or by which the Company may be bound or affected. Each person signing this Amendment hereby represents and warrants that he or she has the full authority and is duly authorized and empowered to execute this Amendment on behalf of the Party for which they sign.

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

12. This Amendment shall take effect as of the Effective Amendment Date.

IN WITNESS WHEREOF, the Parties have executed this First Amendment under seal as of the day and year first above written.

MUNICIPALITY OF AMESBURY

Duly Authorized Representative Name: Kassandra Gove
Duly Authorized Representative Title: Mayor
Duly Authorized Representative Signature: 
Date of Signature: 10/9/24

CNA STORES, INC.

Duly Authorized Representative Name: Robert DiFazio
Duly Authorized Representative Title: CEO
Duly Authorized Representative Signature: 
Date of Signature: 10/8/24