

**HOST COMMUNITY AGREEMENT**  
**Between**

THE CITY OF AMESBURY

**And**

CNA STORES, INC.

This Host Community Agreement (the “Agreement”) is entered into and executed this 26th day of August, 2024 (the “Effective Date”) by and between 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”) and 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”).

WHEREAS, the Company is currently licensed by the Cannabis Control Commission (the “Commission”) as a Marijuana Establishment and is located within the Municipality;

WHEREAS, the Company shall comply with all applicable state laws and regulations, including, but not limited to G.L. c. 94G, G.L. c. 94I, 935 CMR 500.000 *et seq.*, and 935 CMR 501.000 *et seq.*, as applicable, and such approvals as may be issued by the Municipality in accordance with its local rules, regulations, policies, general ordinances and zoning ordinances, as may be amended;

WHEREAS, the Company and the Municipality (collectively, the “Parties”) intend by executing this Agreement to comply with and satisfy the provisions of G.L. c. 94G, § 3(d), as applicable to the licensed operations of the Marijuana Establishment, with such operations to be done in accordance with applicable rules, regulations, policies, general ordinances and zoning ordinances of the Municipality; and

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. Definitions.**

Where applicable, the following terms shall hold the same meaning and definitions as defined in G.L. c. 94G, as applicable:



- a) **Marijuana Establishment (“ME”)** means a Marijuana Cultivator (Indoor), Marijuana Product Manufacturer and/or Marijuana Retailer.
- b) **Final License** means a certificate of final licensure issued by the Commission pursuant to its authority under G.L. c. 94G.
- c) **Fiscal Year** means the time period beginning with July 1<sup>st</sup> and ending with the following June 30<sup>th</sup>.
- d) **Community Impact Fee (“CIF”)** means actual costs imposed upon the Municipality in the preceding year that are reasonably related to the costs imposed upon the Municipality by the operation of the ME.
- e) **Claimed Community Impact Fee (“Claimed CIF”)** means impact fee(s) claimed by the Municipality which have not been certified by the Commission or ruled upon by a court of competent jurisdiction as being reasonably related to the actual costs imposed by the Company.

Should there be a conflict between these definitions and those contained in G.L. c. 94G, the definitions in this Agreement shall control.

## 2. Authorized Operations.

The Parties stipulate that this Agreement only provides permission for the Company to apply for, obtain, and operate the following selected license type(s) within the Municipality in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.00 and such approvals as may be issued by the Municipality in accordance with its rules, regulations, policies, ordinances and other applicable local requirements:

- Medical Marijuana Treatment Center
- Marijuana Cultivator (Indoor)**
- Marijuana Cultivator (Outdoor)
- Marijuana Product Manufacturer**
- Marijuana Retailer**
- Marijuana Microbusiness (Indoor Cultivation & Product Manufacturing)
- Marijuana Microbusiness (Outdoor Cultivation & Product Manufacturing)
- Marijuana Microbusiness (Indoor Cultivation only)
- Marijuana Microbusiness (Outdoor Cultivation only)
- Marijuana Microbusiness (Product Manufacturing only)
- Marijuana Microbusiness (with Delivery Endorsement)
- Craft Marijuana Cooperative
- Marijuana Courier
- Marijuana Delivery Operator



- Marijuana Transporter
- Marijuana Research Facility
- Independent Testing Laboratory
- Standards Laboratory
- Social Consumption Establishment

### 3. Location.

The Parties stipulate that this Agreement only provides permission for the Company to operate a Marijuana Cultivator and Marijuana Product Manufacturer ME at the property known as 57 South Hunt Road, Amesbury, Massachusetts, more accurately described by the deed recorded with the Southern Essex Registry of Deeds on Book 37250, page 0256, and on Map 95 and numbered 7 in the Assessor's database; and to operate a Marijuana Retailer ME at the property known as 77 Macy Street, Amesbury, Massachusetts, more accurately described by the deed recorded with the Southern Essex Registry of Deeds on Book 24923, page 0089, and on Map 79 and numbered 13 in the Assessor's database.

### 4. Compliance.

The Parties shall comply with all laws and regulations governing the operation of the license type(s) selected in Section 2, as applicable, including, but not limited to:

- a) G.L. c. 94G, G.L. c. 94I, 935 CMR 500.000 *et seq.*, and 935 CMR 501.000 *et seq.*, provided, however, in the event that any term or condition of this Agreement 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 Agreement, at the request of the Municipality, and negotiate an amendment to address such term(s) and/or condition(s).
- b) The Municipality's local laws, ordinances, and zoning applicable to the operation of MEs.
- c) The Company shall be responsible for obtaining from the Commission and the Municipality all licenses, permits, and approvals required for the operation of each license covered by the Agreement. The Company shall obtain and comply with all necessary permits and approvals necessary for the continued operation of the ME pursuant to local and state laws and regulations.
- d) This Agreement does not affect, limit, or control the authority of the Municipality's boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue or deny permits, licenses, or other approvals under the statutes and regulations of the Commonwealth, or the local laws, zoning ordinances, rules, regulations, and general ordinances of the Municipality. The Company acknowledges that it may be required to pay the reasonable costs of the employment by the Municipality's boards and officials of outside consultants, including without limitation engineers, architects, scientists and attorneys in connection with the review of any application or request for such local permits required to operate the marijuana



establishments in the same manner as any non-cannabis business. Further, this Agreement does not affect the Municipality's ability to enforce any applicable law.

- e) Subject to the retained authority of the Municipality set forth herein, the Parties to this Agreement shall work in good faith to effectuate the purposes of this Agreement.

## 5. Annual Payments Responsibilities.

The Parties agree to the following provisions regarding annual payments responsibilities:

### a) CIF

1. There may be additional expenses and impacts including but not limited to impacts on the Municipality's infrastructure systems, law enforcement, and fire protection services, as well as unforeseen expenses and impacts on the Municipality that are reasonably related to the operation of the ME.
2. To mitigate expenses and impacts, the Company shall pay a CIF to the Municipality. The CIF shall: (A) be reasonably related to the costs imposed upon the Municipality by the operation of the Company's ME, as documented pursuant to G.L. c.94G, § 3(d)(2)(iii); (B) amount to not more than 3 per cent of the gross sales of the Company's ME; (C) not be effective after the Company's ME's eighth year of operation; (D) commence on the date the Company's ME is granted a Final License by the Commission; and (E) not mandate a certain percentage of total or gross sales as the CIF.
3. The Company shall notify the Municipality within five (5) business days of the issuance of a Final License to the Company by the Commission for any license covered under this Agreement. Additionally, the Company shall notify the Municipality within five (5) business days of the issuance of a renewal of a license to the Company by the Commission for any license covered under this Agreement. Further, in conjunction with the Company's requirement to submit a license renewal application to the Commission to operate the ME permitted pursuant to this Agreement, the Company shall provide the Municipality with written notice of the approximate date it intends to file said renewal application with the Commission, along with a demand for documentation of the Claimed CIFs, if any, at least thirty (30) days in advance of the intended filing date for the renewal application.
4. Any cost imposed upon the Municipality by the operation of the Company's ME shall be documented by the host community and transmitted to the Company not later than one (1) month after the date of each annual renewal of the Final License to operate the ME.
5. Unless the Company timely initiates litigation and/or timely seeks administrative review of the Claimed CIF, the Company shall annually pay the CIF no later than



the end of the current Fiscal Year or within ninety (90) days of the date of the Commission's certification of the CIF, whichever is later.

**b) Waivers of CIF**

A Municipality may not assess Claimed CIFs or CIFs or may choose to not collect either in a particular year. Any such election shall not operate as a waiver of the Municipality's rights under this Agreement to collect a CIF in subsequent years.

**c) Generally Occurring Fees**

Generally occurring fees are those fees customarily imposed by the Municipality on non-cannabis businesses operating within its confines and shall not be considered a CIF. These fees include, but are not limited to, sewer and water connection, and waste collection. The Municipality now affirms the following list of expected

Generally Occurring Fees the Company will be required to pay:

Usual and customary building permit and other permit application fees, and all other local charges and fees generally applicable to other non-cannabis businesses in the Municipality. The Company shall also pay any and all reasonable and customary consulting costs and fees related to any land use applications concerning the marijuana establishments, including planning, engineering, and any related reasonable disbursements at standard rates charged by the above-referenced consultants generally applicable to other non-cannabis businesses in the Municipality.

The Company concurs and consents to the stated list of Municipality's expected Generally Occurring Fees provided herein.

**d) Local Taxes**

Property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable taxes for that property shall be paid directly by the appropriate property owner.

**e) Other Taxes**

Notwithstanding any previously identified provisions, the Company acknowledges and affirms its obligation to pay any and all fees associated with sales tax, excise tax on Marijuana and Marijuana Products, or other taxes or fees otherwise provided for in G.L. c. 94G, G.L. c. 64H, and G.L. c. 64N.

**6. Security.**

- a) The Company shall maintain security at its ME in accordance with the security plan presented to the Municipality. In addition, the Company shall at all times comply with all applicable laws and regulations regarding the operations of the ME, as applicable, and the security thereof.



- b) The Company shall comply with all Commission and the Municipality security requirements as promulgated by state law, regulation, local law, or ordinance.
- c) To the extent requested by the Municipality's Police Department, the Company shall 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 marijuana establishments and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products are not being transferred to the illegal market or to minors.

#### **7. Energy Usage.**

The Company shall comply with the Commission's energy regulations provided in 935 CMR 500.105(1)(q), 935 CMR 500.105(15), 935 CMR 500.120(11), 935 CMR 500.130, *et seq.*, and, if applicable, comparative medical regulations.

#### **8. Diversity, Equity, and Local Opportunities.**

- a) The Company shall, consistent with applicable laws and regulations, make good faith efforts to hire municipal residents for employment, supplier services, and/or vendor services. Good faith efforts shall include actively soliciting bids from vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full-time employees first to the Municipality's residents before advertising through all typical regional employment advertising outlets, as well as hosting annual employee training programs for career advancement, cannabis career advancement, management training, business financing, entrepreneurship and/or diversity training.
- b) The Company shall, consistent with applicable laws and regulations, have goals, programs, and metrics, and make progress towards those goals to hire individuals/businesses for employment, supplier services, and/or vendor services from areas defined as Areas of Disproportionate Impact by the Commission.
- c) The Company shall, consistent with applicable laws and regulations, have goals, programs, and metrics, and make progress towards those goals to hire individuals/businesses identifying as people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, persons with disabilities, and LGBTQ+ people.

#### **9. Effective Date, Term, and Termination.**

- a) This Agreement shall be in full force and effect beginning on the Effective Date and shall automatically terminate three (3) years thereafter unless terminated sooner in accordance with this Agreement.

The Municipality may terminate this Agreement for cause by providing written notice to the Company in the event that: (i) Company violates any laws of the



Municipality or the Commonwealth with respect to the operation of the ME permitted under this Agreement, and such violation remains uncured for thirty (30) days following the Municipality's issuance to the Company of written notice of such violation; (ii) the Company fails to make payments to the Municipality as required under this Agreement, and such failure remains uncured for ten (10) days following Municipality's issuance to the Company of written notice of such violation; (iii) there is any other breach of the Agreement by the Company, which breach remains uncured for thirty (30) days following the Municipality's issuance to the Company of written notice of such violation; or (iv) the Company's license is revoked by the Commission and such revocation is not rescinded within forty-five (45) days. In the event of termination of this Agreement, the Company shall immediately cease all operations at the ME.

- b) At the conclusion of the term of this Agreement, the Parties may elect to negotiate a new Agreement or an HCA Waiver in accordance with the current prevailing regulations and laws as such regulations and laws may be amended or replaced if a voluntary agreement of the Parties can be reached; the Parties have no affirmative obligation, however, to engage in negotiations at the conclusion of the term of this Agreement.

#### **10. Notice of Discontinuance of Operations.**

This Agreement shall be void in the event that the Company ceases operations of its ME in the Municipality for a period of greater than sixty (60) days without notice to the Municipality and substantial action to reopen or relocates such operations outside of the Municipality. The Company shall provide notice to the Municipality no less than ninety (90) days prior to cessation or relocation of operations.

#### **11. Governing Law and Severability.**

This Agreement shall be governed in accordance with the laws of the Commonwealth of Massachusetts. 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 and, at the request of the Municipality, the Parties shall reopen this Agreement and negotiate an amendment to address such term(s) and/or condition(s). In addition, in the event that any term or condition of this Agreement 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 Agreement, at the request of the Municipality, and negotiate an amendment to address such term(s) and/or condition(s).

Further, the Company hereby represents that at the time of execution of this Agreement, based upon the Company's diligent inquiry, it determined to its satisfaction that the provisions of this Agreement are valid, binding and enforceable.



**12. Indemnification.**

Excluding any Claims (as herein defined) caused by the gross negligence or willful misconduct of the Municipality, the Company shall indemnify, defend, and hold the Municipality harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings, subpoenas, document requests and/or costs and expenses, including attorney’s fees (collectively, the “Claims”), brought against or initiated as to the Municipality, its agents, departments, officials, employees, insurers and/or successors, by any third party, including any private or public entity, arising from or relating to this Agreement and the marijuana establishments authorized herein. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and consultants of the Municipality’s choosing incurred in defending or responding to such Claims. The Company agrees, within thirty (30) days of written notice by the Municipality, to reimburse the Municipality for any and all costs and fees incurred in defending itself from or responding to such Claims.

**13. Public Records.**

The Parties agree that all records in the possession of the Municipality are governed by G.L. c. 66, § 10, the Public Records Law.

**14. 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.

**15. Successors/Assignees.**

This Agreement is binding upon the Parties hereto, their successors, assignees and legal representatives. The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, and shall not assign any of the monies payable under this Agreement to the Municipality without the prior written consent from the Municipality, which shall not be unreasonably withheld, delayed or conditioned.

**16. No Rights in Third Parties.**

This Agreement is not intended to, nor shall it be construed to, create any rights in any third party.

**17. 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 Municipality, or the Municipality and any other successor, affiliate or corporate entity as joint ventures or partners.

**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 and electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature. The individuals signing below have full authority to do so by the entity on whose behalf they have signed.

### 20. Notices

Except as otherwise provided herein, any notices, consents, demands, requests, approvals, or other communications required or permitted under this Agreement shall be deemed to be received by the intended recipient (a) when delivered personally, (b) by the day following delivery to a nationally recognized overnight courier service with proof of delivery, (c) three (3) days after mailing by U.S. Postal Service certified mail, postage prepaid with return receipt requested:

To the Municipality:                   Amesbury City Hall  
Attn: Mayor's Office  
62 Friend Street  
Amesbury, MA 01913

With a copy to:                       Amesbury City Solicitor  
KP Law, P.C.  
101 Arch Street, 12th Floor  
Boston, MA 02110

To the Company:                       CNA Stores, Inc.  
Attn: Michele Whitley  
57 S Hunt Road  
Amesbury, MA 01913

### 21. Representation of Authority and Warranties.

The Company represents and warrants that it is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this Agreement, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, 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 Agreement hereby represents and warrants that he or she has the full authority and is duly authorized and empowered to execute this Agreement on behalf of the party for which he or she signs.



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the Effective Date written above.

**MUNICIPALITY OF AMESBURY**

Duly Authorized Representative Name: Kassandra Gove

Duly Authorized Representative Title: Mayor

Duly Authorized Representative Signature: 

Date of Signature: August 22, 2024

**CNA STORES, INC.**

Duly Authorized Representative Name: Robert DiFazio

Duly Authorized Representative Title: CEO

Duly Authorized Representative Signature: 

Date of Signature: 8/26/24

