

**HOST COMMUNITY AGREEMENT FOR MARIJUANA MANUFACTURING**  
**ESTABLISHMENT BETWEEN CLOUD CREAMERY, LLC, AND**  
**THE CITY OF FRAMINGHAM, MASSACHUSETTS**

THIS HOST COMMUNITY AGREEMENT (“Agreement”) is entered into this 26<sup>th</sup> day of July 2019 by and between **CLOUD CREAMERY, LLC** a Massachusetts domestic limited liability company with its main office presently located at with usual place of business in Framingham at 119 Herbert Street, Framingham, Massachusetts 01701 (“OPERATOR”) and the **CITY OF FRAMINGHAM**, a Massachusetts municipal corporation with a principal address of 150 Concord Street, Framingham, MA (“CITY”).

**RECITALS**

1. OPERATOR is the lessee of the property at **119 Herbert Street, Framingham, Massachusetts 01701** (“the Premises”) owned by Robert G. Kinz, Trustee of Eames/Herbert Street Realty Trust, u/d/t/d December 27, 2001 under the deed recorded with the Middlesex South District Registry of Deeds at **Book 35678, Page 508**, which lease is evidenced by a Notice of Lease dated October 31, 2018 and recorded with said Deeds at Book 72996, Page 50;
2. OPERATOR is seeking a license from the Cannabis Control Commission to operate **an adult use, i.e., non-medical, marijuana product manufacturer establishment** within the meaning of 935 CMR 500.002 located at **119 Herbert Street, Framingham, Massachusetts** Framingham, MA and to manufacture and sell at wholesale marijuana and marijuana products at the Premises in compliance with 935 CMR 500. and M.G.L. c. 94C, § 34;
3. OPERATOR has warranted and represented, and the CITY’s Planning Administrator has verified, that the OPERATOR’S **Marijuana Product Manufacturing Establishment** is not located within 500 feet, measured in a straight line from the nearest point of the Premises to the nearest point of any pre-existing public or private school providing education in kindergarten or grades 1 through 12;
4. M.G.L. c. 94G, § 3(d), as affected by Chapter 55 of the Acts of 2017 at SECTION 25 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 municipality by the operation of the marijuana establishment or medical marijuana treatment center and shall not amount to more than 3 percent 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;

5. M.G.L. c. 94G, § 12 (h), as affected by Chapter 55 of the Acts of 2017 at SECTION 37 requires that “[e]ach licensee shall file an emergency response plan with the fire department and police department of the host community”;
6. OPERATOR and the CITY 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;

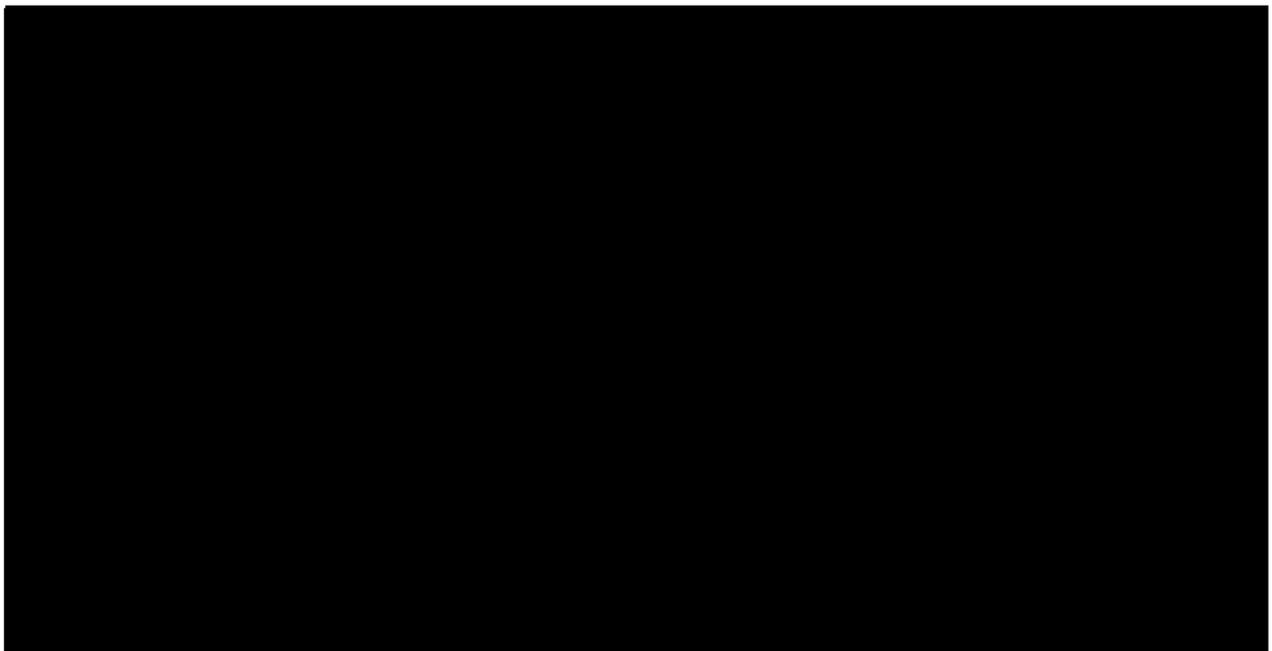
NOW THEREFORE, in accordance with M.G.L. c. 94G, as affected by Chapter 55 of the Acts of 2017, and the regulations of the Cannabis Control Commission (“COMMISSION”) promulgated thereunder as 935 CMR 500.00, and in consideration of the mutual promises herein contained, the OPERATOR and CITY agree as follows:

1. **Compliance.** OPERATOR shall comply with all laws, rules, bylaws or ordinances, regulations and orders applicable to the operation of its **adult use, i.e., non-medical, marijuana product manufacturer establishment**, such provisions being incorporated herein by reference, including, but not limited to:
  - a. M.G.L. c. 94G, as affected by Chapter 55 of the Acts of 2017 and the regulations of the COMMISSION as the same may be amended from time to time; and the
  - b. Framingham General Bylaws, Sign Bylaws, Zoning Bylaws and Board of Health Regulations as the same may be amended from time to time.

OPERATOR shall be responsible for obtaining from the Commission and the CITY all necessary licenses, permits, and approvals required for the operation of its Marijuana Product Manufacturing Establishment at the Premises. OPERATOR shall consult with the Board of Health, which shall determine whether OPERATOR has made adequate provision for odor mitigation and waste disposal OPERATOR shall use of an industrial grinder for disposal of waste containing cannabis or cannabis residue.

2. **Community Impact Deposit.** Prior to commencing business operations as a Marijuana Product Manufacturing Establishment, OPERATOR shall make a one-time community impact deposit payment to the CITY in the sum of \$2,500.00, which the CITY may, in its sole discretion, use to address public health, safety and other effects or impacts the OPERATOR'S Marijuana Manufacturing Establishment may have on the CITY, including community wellness programs and other efforts and initiatives. The OPERATOR's community impact deposit payment shall not be refundable but shall be credited toward OPERATOR'S annual community impact fee described in Paragraph 3 following.
3. **Community Impact Fee.** OPERATOR shall pay to the CITY, an annual community impact fee that is reasonably related to its adult use, i.e., non-medical, marijuana product manufacturer establishment, at the Premises in the sum of **1 percent of gross sales in year one of operation, 2 percent of gross sales in year two of operation, and three percent of gross sales in year 3 of operation.**
  - a. OPERATOR understands and agrees that the purpose of the Community Impact Fee is to alleviate the impacts of the siting of the non-medical, marijuana product manufacturer establishment, in the City, which include, but are not limited to, expenditures of City funds to: i) promote and maintain a positive perception of the City to other residents, visitors and businesses; ii) address impacts on public health and safety, including creation of addiction prevention and education programs; iii) maintain roads and public services; iv) pay for increased administrative, regulatory, police, fire, and inspectional services; v) legal services other than those related to the negotiation, drafting and execution of this Agreement.
  - b. OPERATOR expressly agrees that the sum specified in above paragraph 3 is reasonably related to the costs imposed upon the CITY by OPERATOR's operation of its Marijuana Manufacturing Establishment at the Premises. Payment shall be made as follows: within 30 days after the end of OPERATOR's first fiscal year of the operation of its Marijuana Product Manufacturing Establishment OPERATOR'S fiscal year runs from **January 1 to December 31.**
  - c. The Parties further expressly agree that the community impact fee is treated by the CITY as general fund revenue pursuant to M.G.L. c. 44, §53 and is not a donation or grant under M.G.L. c. 44, §53A. While OPERATOR is not prevented from making a gift or grant to the City or to any organization in the City for the benefit of the residents of Framingham, OPERATOR is not compelled to make any such gift or grant, and no offset or reduction to the Community Impact Fee shall be made as a result of, or in consideration for, the same.

4. **Financial Reporting:** OPERATOR shall furnish the CITY with annual profit and loss statements, as soon as they become available, reflecting gross sales figures for its Marijuana Manufacturing Establishment in Framingham and shall provide the CITY with all copies of its periodic financial filings to agencies of the Commonwealth documenting gross sales and gross annual revenues and copies of its filings to the Commission, Secretary of the Commonwealth's Corporations Division, and the Massachusetts Department of Revenue.
5. **Confidentiality:** To the extent permitted by M.G.L. c. 66, § 10, (the "Public Records Law") OPERATOR may provide to the CITY with 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"). The CITY (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 thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or the Public Records Law.
6. **Monitoring and Accounting for Community Impacts.** Following the OPERATOR's payment of the first year's community impact fee, the OPERATOR may make written request to the CITY for review of the community impact fee. So that the CITY may respond to such request, the OPERATOR agrees that it shall append Police, Fire and Inspectional Services Department incident reports the OPERATOR's Marijuana Manufacturing Establishment within a two-mile radius of the Marijuana Manufacturing Establishment and the satellite parking area(s) indicated in Paragraph 11 below.
7. **Security.**





b. OPERATOR expressly understands that review of its proposed security, traffic management and emergency response plans shall not prevent the CITY from enforcement of Federal, State or local laws or regulations promulgated by any agency or board having jurisdiction over the OPERATOR's marijuana establishment(s). Further OPERATOR expressly holds harmless the CITY and its employees and agents from claims of any nature with respect the review of OPERATOR's security, traffic management and emergency response plans.

8. **Hours of Operation.** OPERATOR's days and hours of operation shall be: 9:00 a.m. to 5:00 p.m., Monday through Saturday.
9. **Public Transit-Discharge and Pickup of Passengers.** OPERATOR expressly acknowledges and understands that it is prohibited from selling its marijuana products directly to consumers or patients, and that accordingly, OPERATOR is not required to provide marked area in the parking lot for public transit buses and taxis to discharge and pick up passengers.
10. **No Discharge of Patrons on Public Way-No Loitering.** OPERATOR shall not allow discharge and pick up of passengers within any portion of the adjacent state highway, including the breakdown lane, or other public ways. OPERATOR shall not allow any person to congregate or remain outside of its Marijuana Product Manufacturing Establishment building or parking lot for more than 15 minutes.
11. **Parking and Traffic Control.** OPERATOR shall provide no fewer than 3 parking spaces for its employees; the OPERATOR has non-exclusive use to approximately 30 spaces that serve the office park. OPERATOR expressly acknowledges and understands that it is prohibited from selling its marijuana products directly to consumers or patients, and that accordingly, OPERATOR is not required to retain a parking lot attendant during hours of operation to ensure safe traffic flow to and from the Premises.
12. **Incorporation of Minor Site Plan Review Conditions by Reference.** The City of Framingham's Building Commissioner has determined that Minor Site Plan Review is not required.
13. **Cooperation.** OPERATOR shall maintain a cooperative relationship with the City's Police and Fire Departments and shall meet no less than once every four months to review operational concerns, cooperation in investigations, and communication to Framingham Police Department of any suspicious activities on the site.

14. **Hiring Framingham Residents.** OPERATOR shall make a diligent effort to hire local, qualified employees to the extent consistent with law and shall work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Framingham area where possible.

15. **Personal Property and Real Estate Taxes.** OPERATOR hereby makes representation that all personal property and real estate taxes, and all water and sewer use charges are paid in full through the current tax period, i.e. June 30, 2019. Further, OPERATOR agrees that at all times during the term of this Agreement, all property, both real and personal, owned or operated by OPERATOR shall be treated as taxable, and that all applicable real estate and personal property taxes for that property shall be paid either directly by OPERATOR or by its landlord.

16. OPERATOR further agrees that it shall not object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, if:

- a. any real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, or
- b. the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or
- c. 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 CITY 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 full assessed 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 OPERATOR under Section 1 of this Agreement.

17. **Water and Sewer Metering; Inflow and Infiltration Fee.** OPERATOR's Premises is served by municipal water and sewer, the meter(s) for which were inspected by the CITY on or before May 28, 2019. OPERATOR expressly understands that illegal connections and inflow into the City's sewer system is expressly prohibited by the Framingham Wastewater Regulations dated May 2015 ("Regulations"). Further, OPERATOR to pay an inflow and infiltration fee as required by the Department of Public Works, which fee is based upon the water usage for the business operations at the Premises. Such fee shall be paid prior to the commencement of OPERATOR's business operations.

18. **Term, Continued Operation and Extension of Term.** This Agreement terminates on June 30, 2022, unless sooner terminated by:

- a. revocation of OPERATOR's license by the Commission; or
  - b. OPERATOR's voluntary or involuntary cessation of operations; or
  - c. the CITY's termination of this Agreement for breach of the conditions contained herein that remain uncured 15 days from the date of notice of such breach.
19. OPERATOR expressly understands and agrees that its continued operation of its non-medical, marijuana product manufacturer establishment (either at the Premises or elsewhere in Framingham if the non-medical, marijuana product manufacturer establishment should relocate) after the end of term of this Agreement, i.e., June 30, 2022, shall require either a renewal of this Agreement upon the same terms (or a new Agreement with new terms) for an additional period of no less than one year nor more than five years.
20. **Amendment.** Other than the initial three-year duration of this Agreement and the sum of the first year of the community impact fee, neither of which shall be amended, this Agreement may be amended after the payment of the first year of the community impact fee by a fully executed mutual written agreement appended hereto, provided however, that OPERATOR shall have paid all taxes and fees due and payable to the Commission and the CITY as of the date when the OPERATOR executes of such amendment, it being understood that the CITY shall be the final signatory to such amendment.
21. **Bond. Prior to commencing operations,** OPERATOR shall provide to the CITY a bond in the sum of One Thousand and 00/100 (\$1,000.00) Dollars, to support the orderly dismantling and winding down of the Marijuana Establishment if the OPERATOR should cease operations, i.e., should not transact business for a period greater than 60 days with no substantial action taken to reopen. The CITY's requirement for such bond is analogous to that stated in the Commission's Regulations promulgated as 935 CMR 500.105 (16).
22. **Assignment.** OPERATOR shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the CITY and shall not assign any of the moneys payable under this Agreement, except by and with the written consent of the CITY. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.
23. **No Rights in Third Parties.** This Agreement is not intended to, nor shall it be construed to, create any rights in third parties.
24. **Notice.** Any and all notices 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, to the parties at the addresses set forth on Page 1 of this Agreement or furnished from time to time

in writing hereafter by one party to the other party. Any such notice or correspondence 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.

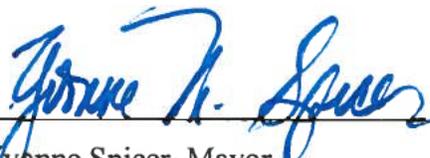
25. **Severability.** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
26. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and OPERATOR submits to the jurisdiction of the Trial Court for Middlesex County for the adjudication of disputes arising out of this Agreement.
27. **Integration.** This Agreement, including all documents incorporated herein by reference, constitute 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.

SIGNATURES ON FOLLOWING PAGE

OPERATOR Executed this \_\_\_ day of July 2019

  
By: **DAVID YUSEFZADEH**  
Its duly authorized *Manager*

CITY OF FRAMINGHAM Executed this 26 day of July 2019

  
Yvonne Spicer, Mayor

APPROVED AS TO FORM Executed this 26 day of July 2019

  
By: Christopher J. Petri, City Solicitor