

**RENEWAL HOST COMMUNITY AGREEMENT FOR INDEPENDENT TESTING  
LAB BETWEEN MCR LABS, LLC AND THE CITY OF FRAMINGHAM**

THIS RENEWAL HOST COMMUNITY AGREEMENT (the "Agreement") is entered into this 28 day of June 2023 by and between **MCR LABS, LLC**, established as a Massachusetts limited liability company and organized pursuant to M.G.L. c. 156C, with a principal office located 85 Speen Street, Framingham, MA 01701 (the "OPERATOR") and the **CITY OF FRAMINGHAM**, a Massachusetts municipal corporation with a principal address of 150 Concord Street, Framingham, MA 01702 (the "CITY").

**RECITALS**

**Whereas**, OPERATOR is the lessee of the property at 85 Speen Street, Framingham ("the Premises") owned by 85 Speen Street Associates, LLC under the deed dated July 14, 2010 recorded with Middlesex South District Registry of Deeds at Book 54995, Page 540 the duration of which lease is fifteen-months, ending June 30, 2018 and is subject to two extensions of two years each ("Lease");

**Whereas**, OPERATOR is an existing research and quality control testing laboratory under a license issued by the Commonwealth of Massachusetts Department of Public Health pursuant 105 CMR 725;

**Whereas**, OPERATOR has obtained a license from the Cannabis Control Commission to operate an Independent Testing Laboratory within the meaning of 935 CMR 500.002 conducting research and quality control testing laboratory qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34 ("Facility") at the Premises;

**Whereas**, OPERATOR has warranted and represented, and the CITY's Planning Administrator has verified, that the OPERATOR's marijuana 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;

**Whereas**, M.G.L. c. 94G § 3(d), as affected by Chapter 55 of the Acts of 2017, as further amended by Chapter 180 of the Acts of 2022 at SECTION 10, provides in part that:

(d)(1) A marijuana establishment or a medical marijuana treatment center seeking a new license or renewal of a license to operate or continue to operate in a municipality that permits such operation shall negotiate and execute a host community agreement with that 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 medical marijuana treatment center.

(2)(i) Notwithstanding any general or special law to the contrary, a host community agreement may include a community impact fee for the host community; provided, however, that no host community agreement shall include a community impact fee after the eighth year of operation of a marijuana establishment or a medical marijuana treatment center. The community impact fee shall: (A) be reasonably related to the costs imposed upon the CITY

by the operation of the marijuana establishment or medical marijuana treatment center, as documented pursuant to subparagraph (iii); (B) amount to not more than 3 per cent of the gross sales of the marijuana establishment or medical marijuana treatment center; (C) not be effective after the marijuana establishment or medical marijuana treatment center's eighth year of operation; (D) commence on the date the marijuana establishment or medical marijuana treatment center is granted a final license by the commission; and (E) not mandate a certain percentage of total or gross sales as the community impact fee.

**Whereas**, 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";

**Whereas**, 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;

**Whereas**, OPERATOR and the CITY entered into a Host Community Agreement (the "Prior Agreement") on July 31, 2018, which set forth the terms and conditions of the OPERATOR's operation of an Independent Testing Laboratory;

**Whereas**, subsequent to OPERATOR and the CITY entering the Prior Agreement, statutory amendments to M.G.L. c. 94G were enacted;

**Whereas**, OPERATOR and the CITY desire to amend and restate the Prior Agreement in its entirety as provided herein, replacing the Prior Agreement with this Agreement in all respects.

**NOW THEREFORE**, in accordance with M.G.L. c. 94G, as affected by Chapter 55 of the Acts of 2017, as further amended by Chapter 180 of the Acts of 2022 and the regulations of the Cannabis Control Commission ("COMMISSION") promulgated thereunder as 935 CMR 500.000, and in consideration of the mutual promises herein contained, the OPERATOR and CITY agree as follows:

1. **Representation as to Leasehold.** OPERATOR hereby makes a representation that the use of the Premises for its Facility is expressly permitted under the terms of the Lease.
2. **Compliance.** OPERATOR shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of its Independent Testing Laboratory in Framingham and shall comply with all laws, rules, bylaws or ordinances, regulations and orders applicable to the operation of its Independent Testing Laboratory, 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, as further amended by Chapter 180 of the Acts of 2022 and the regulations of the COMMISSION as the same may be amended from time to time;
  - b. The City of Framingham General Bylaws, Sign Bylaws, Zoning Bylaws, and Board of Health Regulations as the same may be amended from time to time.
3. **Community Impact Fee.** Effective as of November 11, 2022, in accordance with the City of Framingham's General Ordinances, Article VIII, Section 9.10, OPERATOR shall pay to the CITY an annual community impact fee related to the reasonably related costs imposed on the CITY for OPERATOR'S Facility at the Premises which shall be in an amount allowed and for such duration as provided under MGL c. 94G §Section 3(d), as amended by Chapter

180 of the Acts of 2022. Any cost imposed upon the CITY related to OPERATOR'S operation of the Facility at the Premises shall be documented by the CITY and transmitted to the OPERATOR within one (1) month after the date of the OPERATOR'S annual renewal of final licensing. The OPERATOR shall provide payment pursuant to paragraph b herein.

- a. OPERATOR understands and agrees that the purpose of the Community Impact Fee is to alleviate the costs of impacts which are reasonably related to of the siting and operating the Marijuana Treatment Center in the CITY, which may 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 costs and increased costs including overtime, if any, associated with the CITY'S administrative, regulatory, police, fire, legal and inspectional services activities relating to the OPERATOR and the Premises;
    - v. cover legal services and costs of CITY personnel involved in any legal, administrative and/or agency proceedings relating to OPERATOR and the Premises, excepting the CITY's legal services related to the negotiation, drafting and execution of this Agreement.
  - b. Payment shall be made as follows, subject to any payment plan negotiated between the CITY's Marijuana Advisory Team and the OPERATOR: within thirty (30) days of OPERATOR's receipt of documentation provided to the OPERATOR within one (1) month after the date of the OPERATOR's annual renewal of final licensing of such reasonably related costs as allowed under M.G.L. c. 94G, §3(d), as affected by Chapter 180 of the Acts of 2022 at SECTION 10, adjusted for any partial year. The community impact fee shall be capped at 3% of gross sales. Notwithstanding the foregoing, nothing herein is deemed to restrict the OPERATOR from disputing or challenging the City's asserted impact fees, and in the event of same, the parties agree to negotiate in good faith to resolve such dispute.
  - c. The Parties further expressly agree that, subject to applicable law, the CITY may treat its community impact fee 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.
  - d. The OPERATOR acknowledges that any mitigation and impact fees which OPERATOR has paid to the CITY to date based upon previous Host Community Agreements entered by the Parties, and prior to executing this Agreement, were lawfully owed and consistent with statutes and regulations applicable thereto at the time payments were made. OPERATOR agrees to waive and release any claims and/or requests for reimbursement of mitigation and/or impact fees previously paid. The parties agree that any current changes to mitigation and impact fees based on Chapter 180 of the Acts of 2022 SECTION 10 are reflected herein, and shall operate prospectively.
4. **Financial Reporting:** OPERATOR shall furnish the CITY with annual profit and loss statements, in a form and manner as submitted to the Commission, as soon as they become available, reflecting gross sales figures of the Independent Testing Laboratory in

Framingham and shall provide the CITY upon request 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") any material or information OPERATOR provides to the CITY including 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") shall be subject to this Confidentiality provision. 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.** 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 specifically related to the OPERATOR's laboratory.
7. **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 OPERATOR will provide CITY with analytical laboratory services at no cost to the CITY, which services will include providing analytical testing of cannabis and cannabis-infused products at the request of Municipal law enforcement in which the substances are subject to investigation, providing expert advice on the burgeoning cannabis industry and educational support in the form of workshops and compliance classroom events. The precise nature of the services provided to the CITY 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 CITY understands and acknowledges that the OPERATOR's agreement to provide complimentary analytical laboratory services is contingent upon the OPERATOR's receipt of licensure from the Cannabis Control Commission to operate an Independent Testing Laboratory, and local approvals for the same. If the OPERATOR does not receive licensure from the Cannabis Control Commission to operate an Independent Testing Laboratory, the CITY acknowledges and agrees that the value cap on the services to be performed under this Agreement may be reduced.
  - a. If any term or condition deemed unlawful concerns the right of the CITY to receive such services, the parties agree that such services shall constitute a grant or donation for the purposes set forth herein.
8. **Term, Continued Operation and Extension of Term.** The term of this Agreement shall be five (5) years, beginning on August 1, 2023 terminating on August 1, 2028 ("Termination Date"), unless sooner terminated by:
  - a. revocation of OPERATOR's license by the Cannabis Control 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 60 days from the date of written notice of such breach at which time, this Agreement shall become null and void.

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

OPERATOR expressly understands and agrees that its continued operation of its Independent Testing Laboratory after the end of term of this Agreement, shall require either a renewal of this Agreement upon the same terms (or a new Agreement with new terms) and agrees that the terms of this Agreement shall be extended until such time as a renewal Agreement is entered by the Parties. If the parties are unable to reach an agreement or the CITY does not renew the HCA, the CITY may terminate this Agreement and inform the Cannabis Control Commission of such termination.

9. **Amendment.** This Agreement may be amended by a fully executed mutual written agreement, 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.

10. **Hours of Operation.** OPERATOR's days and hours of operation where the laboratory is open to the public shall be: Monday through Friday from 10:30 a.m. to 5:00 p.m. The CITY acknowledges and agrees that laboratory operations are conducted twenty-four hours per day, seven days per week.

11. **Real and Personal Property Taxes.** At all times during the Term of this Agreement, property, both real and personal, owned or operated by OPERATOR shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by OPERATOR or by its landlord, and neither OPERATOR 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 OPERATOR 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 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 fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption.

12. **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, OPERATOR 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.

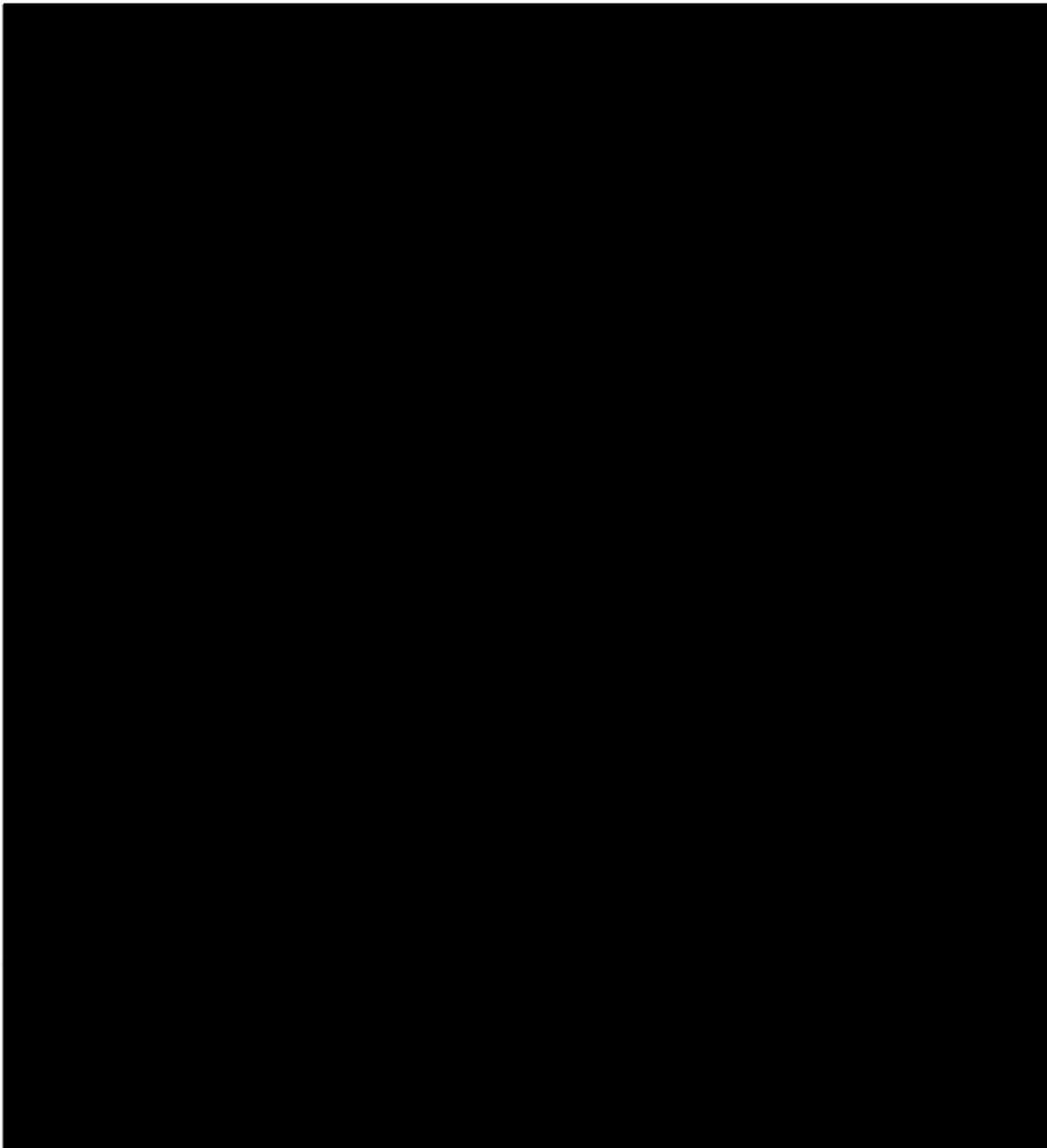
- b. **Employment/Salaries** - Except for senior management, and to the extent such practice and its implementation are consistent with federal, state and municipal laws and regulations, OPERATOR shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire qualified residents of the CITY as employees and to encourage diverse hiring at the Facility.
- c. **Approval of Manager** - If requested by the CITY, the OPERATOR shall provide to the CITY, 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 manager of the Facility. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The CITY 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 unreasonably denied, conditioned or delayed. This approval process shall also apply to any change of on-site manager.
- d. **Education** - OPERATOR shall provide staff to participate in CITY-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with any of the CITY's public safety departments to mitigate any potential negative impacts of the Facility.
- e. **Reporting** - The OPERATOR shall, at least annually, provide the CITY 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 be submitted regarding OPERATOR's operations at the Facility.

### 13. **Non-Opposition to Application.**

- a. The CITY agrees to submit to the required Cannabis Control Commission all documentation and information as may be required by the OPERATOR to obtain or maintain approval to operate an Independent Testing Laboratory. The CITY agrees to not oppose such application 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 CITY's normal and regular course of conduct and in accordance with their codes, rules and regulations and any statutory guidelines governing them.
- b. This agreement shall not affect, limit or control the authority of the CITY's 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 CITY or applicable regulations of those boards, commissions and departments, or to enforce said statutes, Bylaws and regulations. The CITY, by entering into this Agreement, is not required or obligated to issue permits and approvals as may be necessary for OPERATOR to operate its Facility in the CITY, or to refrain from enforcement action against the OPERATOR and/or the Facility for violation of the terms of said permits and approvals or said statutes, Bylaws and regulations.

### 14. **Security.**

- a. OPERATOR has warranted and represented, and the CITY's Police Chief and Fire



b.

c.

15. **Cooperation.** OPERATOR will work cooperatively with all necessary municipal departments, boards, commissions and agencies to ensure that OPERATOR's operations are compliant with all municipal bylaws, ordinances, codes, rules and regulations. OPERATOR shall maintain a cooperative relationship with the City's Police and Fire Departments and shall meet no less than once every year, or upon request of the Chief of Police for the City of Framingham, to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communication to Framingham 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 CITY's Police Department, the OPERATOR shall work with the Police Department to implement a comprehensive diversion prevention plan. Such plan shall include, but is not be limited to, training OPERATOR employees to be aware of, observe and report any unusual behavior in authorized visitors or other OPERATOR employees that may indicate the potential for diversion.
16. **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.

17. **Successors/Assigns.** 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.
18. **No Rights in Third Parties.** This Agreement is not intended to, nor shall it be construed to, create any rights in third parties.
19. **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:

In case of Notice to the CITY:

ATTN: Mayor Charlie Sisitsky  
150 Concord Street, Room 213  
Framingham, MA 01702

With copy to:  
ATTN: Audra Shaw, MAT Licensing Coordinator  
150 Concord Street, B2  
Framingham, MA 01702

Kathryn Fallon, Esq., City Solicitor  
150 Concord Street, B2  
Framingham, MA 01702

In case of Notice to OPERATOR:

Name Michael Kahn  
Address [REDACTED]  
Phone [REDACTED]  
Email [REDACTED]

20. **Emergency Contact.** For situations requiring immediate and/or emergency contact with OPERATOR, the CITY may contact the party set forth below on behalf of OPERATOR. OPERATOR shall notify the CITY's Marijuana Advisory Team in writing of any change to this contact information provided below.

Name Ross Gutman  
Phone [REDACTED]  
Email [REDACTED]

21. **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 OPERATOR 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 OPERATOR in a court of competent jurisdiction, the OPERATOR shall pay for all reasonable fees and costs incurred by the CITY in enforcing this Agreement.

22. **Governing Law.** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the principals of conflicts of law thereof. OPERATOR submits to the jurisdiction of the Trial Court for Middlesex County for the adjudication of disputes arising out of this Agreement.
23. **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.

**OPERATOR** Executed this 27<sup>th</sup> day of June, 2023

*Michael Kahn*

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By: Michael Kahn, President, Manager, duly authorized

**CITY OF FRAMINGHAM** Executed this 28 day of June, 2023



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Charlie Sisitsky, Mayor

APPROVED AS TO FORM

*Kathryn M Fallon*

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By: Kathryn Fallon, City Solicitor