

**Host Community Agreement  
Between  
Town of Maynard, Massachusetts  
and  
Mass Wellspring**

This Host Community Agreement (this “**HCA**”) is made as of November 20, 2018 (the “**Effective Date**”) by and between the Town of Maynard, a Massachusetts municipal corporation, acting by and through its Town Administrator, (the “**Town**”), and Mass Wellspring LLC, a Massachusetts limited liability company (“**Wellspring**” or the “**Company**”). The Town and Wellspring are collectively referred to as the “**Parties**” and each as a “**Party**”.

**RECITALS**

WHEREAS, by letter dated October 2, 2016, the Massachusetts Department of Public Health (“**DPH**”) granted Wellspring a Provisional Certificate of Registration for a Registered Marijuana Dispensary (“**RMD**”) to be located in Massachusetts.

WHEREAS, by letter dated January 31, 2018, DPH granted Wellspring a Final Certificate of Registration for an RMD to be located in Massachusetts.

WHEREAS, pursuant to 935 CMR 500.000 et seq. (the “**Adult Use Regulations**”) promulgated by the Massachusetts Cannabis Control Commission (the “**Commission**”), Wellspring intends to submit an application to the Commission for a license or licenses to operate one or more Marijuana Establishments, as defined by M.G.L. c. 94G, § 1 to be located in Maynard (the “**Wellspring Adult Use Application.**”)

WHEREAS, the Adult Use Regulations require that Wellspring include in the Wellspring Adult Use Application “[d]ocumentation in the form of a single-page certification signed by the contracting authorities for the municipality and applicant evidencing that the applicant for licensure and host municipality in which the address of the adult-use Marijuana Establishment is located have executed a host-community agreement specific to the adult-use Marijuana Establishment” (a “**Town HCA Certification**”). This HCA is intended to constitute the host-community agreement specific to Wellspring’s proposed adult-use Marijuana Establishment in Maynard, pursuant to 935 CMR 500.101(2)(b)(6).

WHEREAS, this HCA shall also constitute the stipulations of responsibilities between the Town, as host community, and Wellspring, pursuant to M.G.L. c. 94G, § 3(d).

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual covenants set forth in this HCA and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Party, the Parties agree as follows:

1. **Community Impact Payments - Wellspring's Marijuana Establishment.**

(a) **Commitment to Make Community Impact Payments.** Wellspring agrees to pay the community impact payments (the “**CI Payments**”) specified in this Section 1 to the Town pursuant to M.G.L. c. 94G, §3(d) if Wellspring obtains one or more final licenses from the Commission to operate as a Marijuana Retailer (as defined in the Adult Use Regulations) within the Town of Maynard, Massachusetts (a “**Maynard Adult Use License**”). No CI Payments will be due or payable unless Wellspring obtains a Maynard Adult Use License.

(b) **CI Payment Amount.** The CI Payments, if due and payable pursuant to Section 1(a) above, shall be in the amount of three percent (3%) of the Gross Receipts received by Wellspring from retail sales made by Wellspring at Wellspring retail locations in the Town of Maynard, Massachusetts of Marijuana, Marijuana Accessories and Marijuana Products, as those terms are defined by M.G.L. c. 94G, § 1, under a Maynard Adult Use License (“**Covered Sales**”) during a period of five consecutive 12 month periods commencing with the date of the first Covered Sale at the Wellspring Marijuana Retailer in the Town of Maynard (the “**Wellspring Maynard Marijuana Establishment**”) (such period of five consecutive 12 month periods, the “**CI Period**”). “**Gross Receipts**” means the aggregate retail purchase price paid to Wellspring by retail customers for Covered Sales, but before sales, excise and other taxes and before amounts collected for the CI Payments.

(c) **Schedule of Payments.** Within ninety days of the close of each of the first five calendar years ending after the start of the CI Period, Wellspring shall pay the CI Payment to the Town annually for Covered Sales that were made during the portion (which may be all) of such calendar year that is included in the CI Period. For clarity and by way of example only, if the CI Period starts on November 1, 2018, the first CI Payment is due March 31, 2019 for Covered Sales made from November 1, 2018 through December 31, 2018, the second CI Payment is due March 31, 2020 for Covered Sales made from January 1, 2019 through December 31, 2019 and the fifth and final CI Payment is due January 31, 2024 for Covered Sales made from January 1, 2023 through October 31, 2023. After payment of the fifth payment, the parties shall meet and negotiate in good faith further payments to the extent allowable by law.

(d) **Wellspring Documentation.** Wellspring shall maintain financial records on its Covered Sales made during the CI Period and Wellspring shall make such documentation available for review by the Town on a confidential basis at the end of each fiscal quarter.

(e) **CI Payments Relative to Town Costs.** Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment...” (“**Town Costs**”). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and agree that three percent (3%) of Gross Receipts is a reasonable approximation of actual Town Costs incurred. The Company acknowledges that the impacts of its operation may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, the Company acknowledges that the payments due under this Agreement are reasonably related to Town Costs and waives an claims to the contrary. The

Company acknowledges and agrees that the Town is under no obligation to use the CI Payment in any particular manner.

(f) **No Contest of Local Taxes.** At all times during the CI Period, the real and personal property and automobiles, if any, located in the Town of Maynard, Massachusetts, owned or operated by Wellspring, shall be treated as taxable by the Town in accordance with the Town's applicable real and personal property and automobile tax laws and regulations. All applicable real estate, personal and excise taxes due to the Town for that property shall be paid either directly by Wellspring or by its landlord for such locations within the Town of Maynard, Massachusetts, and neither Wellspring nor its landlord for such locations within the Town of Maynard, Massachusetts may object or otherwise challenge the taxability of such real or personal property and automobiles in accordance with this Section. Further, Wellspring will remit payment of the local Marijuana Sales tax for all sales in Maynard in accordance with G.L. c. 64N, § 3.

(g) **Other Payments.** Wellspring anticipates that it will make annual purchases of water, and sewer from all local government agencies. Wellspring will pay any and all fees associated with the local permitting of the Wellspring Maynard Marijuana Establishment.

## 2. **Term and Termination.**

(a) **Term.** The Term of this Agreement shall be five (5) years from the Effective Date (the "**Term**"), provided however, the provisions for payment under Section 1 herein, shall survive until the fifth payment has been remitted to the Town.

(b) **Termination.** In the event Company ceases all Marijuana Retailer operations in the Town of Maynard for a period in excess of six (6) consecutive months, this Agreement shall terminate on such six month date and thereafter be null and void. In the event Wellspring loses or has its Marijuana Retailer license(s), approvals, and/or permits to operate in the Town of Maynard revoked by the Commission or the Town for a period longer than six (6) consecutive months, this Agreement shall terminate on such six month date and thereafter be null and void. If this Agreement is terminated due to Wellspring's noncompliance with the terms hereof or the obligations contained herein, including compliance with local law or compliance with state law as determined by the Commission or another applicable state authority, the Company shall be required to cease operations as a Marijuana Retailer in the Town of Maynard following the termination of this Agreement.

(c) **Renewal.** The Parties agree to renegotiate or renew this Agreement prior to the end of the Term. Upon payment of the fifth and final CI Payment due pursuant to paragraph 1 herein, the Parties further agree to renegotiate the terms and payments due under Paragraph 1 to the extent permissible by law.

## 3. **Community Support - Wellspring's Marijuana Establishment.**

(a) to the extent such practice and its implementation are consistent with federal, state, and local laws and regulations and Wellspring's quality and cost control and security requirements, Wellspring shall use good faith efforts in a legal and non-discriminatory manner

to give priority to qualified local businesses and vendors in the provision of goods (other than Marijuana and Marijuana Products) and services for in the construction, maintenance and operation of Wellspring's business at the Wellspring Maynard Marijuana Establishment;

(b) except for senior management, to the extent such practice and its implementation are consistent with federal, state, and local laws and regulations and Wellspring's quality and cost control and security requirements, Wellspring shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire local qualified residents at the Wellspring Maynard Marijuana Establishment; and

(c) if requested by the Town, Wellspring shall assist the Town with, participate in, or contribute to community educational programs on public health and drug abuse prevention, and prevention programs that address youth marijuana use.

3. **Town Obligations.** The Town agrees: to provide to Wellspring (or directly to the Commission or other applicable governmental authority (the "**Licensing Authority**"), if so requested by the Licensing Authority) all documentation and information required or requested by the Licensing Authority from the Town in connection with the Wellspring Adult Use Application and any licenses requested or issued thereunder and to participate and cooperate (to the extent reasonably requested by Wellspring or the Licensing Authority) in the Licensing Authority's licensing process as it relates to the Wellspring Adult Use Application and such licenses, such documentation, information, participation and cooperation to be provided by the Town on a timely basis and so as not to adversely affect the Commission's evaluation and decision on the Wellspring Adult Use Application. The Town agrees to support the Wellspring Adult Use Application but the Town makes no representation or promise that it will act on any other license or permit request from Wellspring in any particular way other than by the Town's normal and regular course of conduct and in accordance with its codes, rules, and regulations and any statutory guidelines governing them. Without limiting this Section, within two business days after the Effective Date, the Town will execute a Town HCA Certification as prepared by Wellspring according to the applicable requirements of the Commission.

4. **Limits on Marijuana Establishments.** If the Town duly adopts a bylaw in accordance with applicable Massachusetts and Municipal law and regulations and such bylaw imposes limits on the permitted number of Marijuana Establishments (as defined in the Adult Use Regulations) to operate in Maynard, the permitted number of Marijuana Establishments shall be allocated first to Wellspring's proposed or operating Marijuana Establishments but this Section 4 will terminate if the CI Period has not started by the one year anniversary of the Effective Date.

5. **Notices.** All notices or other communications under this HCA shall be in writing and addressed as follows and will be deemed delivered upon actual receipt if actual receipt is on a business day and otherwise on the first business day after such receipt:

Town: Town of Maynard  
195 Main Street  
Maynard, MA 01754  
Attention: Town Administrator

Wellspring: Mass Wellspring LLC  
18 Powdermill Road  
Acton, MA 01720  
Attention: President

6. **Severability.** If under applicable Massachusetts law any term of this HCA is to any extent illegal, otherwise invalid, or incapable of being enforced, such term will be excluded to the extent of such illegality, invalidity or unenforceability; all other terms of this HCA will remain in full force and effect; and, to the extent permitted and possible, the illegal, invalid or unenforceable term will be deemed replaced by a term that is legal, valid and enforceable and that comes closest to expressing the intention of such illegal, invalid or unenforceable term. If application of the preceding sentence should materially and adversely affect the economic substance of the transactions contemplated by this HCA, the Parties shall negotiate in good faith amendments to this HCA so as to result in neutral economic impact to either Party.

7. **Nonpayment of taxes.** CI Payments are expressly included as “other municipal charges” pursuant to M.G.L. c. 40, § 57. A Town of Maynard licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of Wellspring or agent thereof if Wellspring’s name appears on a list furnished to the licensing authority from the Town Collector of individuals delinquent on their taxes and/or water bills. Written notice must be given to Wellspring by the Tax Collector, as required by applicable provision of law, and Wellspring must be given the opportunity for a hearing not earlier than 14 days after said notice.

8. **Security, Reporting and Emergency Contact.**

(a) **Security.** Wellspring shall maintain security at the Wellspring Maynard Marijuana Establishment at least in accordance with the security plan which will be submitted by Wellspring to the Town’s Police Department for approval. Approval of such security plan by the Town’s Police Department is a requirement for the opening of the Wellspring Maynard Marijuana Establishment. In addition, Wellspring shall at all times comply with all local applicable laws and regulations regarding the operations of the Wellspring Maynard Marijuana Establishment. Such compliance shall include, but will not be limited to this conditions imposed by the Board of Selectmen of the Town as the local licensing authority and by the Planning Board of the Town as part of the Special Permit.

(b) **Reporting.** Wellspring will report any and all incidents to local law enforcement authorities as required pursuant to 935 CMR 500.000 and permit local law enforcement authorities access to the Wellspring Maynard Marijuana Establishment as required pursuant to 935 CMR 500.000.

(c) **Emergency Contact.** Wellspring shall provide to local law enforcement authorities the name, phone number and address for a person responsible for operations who may be contacted after hours; said contact person shall have been registered successfully by the Commission pursuant to 935 CMR 500.030. Said contact information shall be updated as necessary pursuant to 935 CMR 500.105(1)(c).

9. **Miscellaneous.** Amendments to this HCA may be made only by written agreement of the Parties. Waivers of any provision of this HCA may only be given by the Party that is the intended beneficiary of this HCA. This HCA is binding upon the Parties and their respective successors and permitted assigns. Neither Party may assign this HCA without the written consent of the other Party, such consent not to be unreasonably withheld, delayed or conditioned. There are no intended third party beneficiaries of this HCA and only the Parties hereto have the right to enforce this HCA. The headings in this HCA are for reference only and shall not affect the interpretation of this HCA. This HCA will be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, other than choice of law principles, and the Parties submit to the jurisdiction of any of the appropriate courts of the Commonwealth of Massachusetts for the adjudication of disputes arising out of this HCA. This HCA will be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

.The Parties have executed and delivered this HCA as of the Effective Date.

MASS WELLSRING LLC

By:   
Stefanie Lipton, President

TOWN OF MAYNARD

By:   
Chris DiSilva, Chairman Board of Selectmen