

HOST COMMUNITY
AGREEMENT ARLINGTON, MA
AND APOTHCA, INC.

THIS HOST COMMUNITY AGREEMENT ("Agreement") is entered into pursuant to M.G.L. ch.44, §53A this ____ day of December, 2018 by and between **APOTHCA, INC, (f/k/a Massachusetts Patient Foundation, Inc.)**, a Massachusetts not-for-profit corporation with a principal office address of **99 Development Road, Fitchburg, MA 01420** ("OPERATOR") and the TOWN OF ARLINGTON, a Massachusetts municipal corporation with a principal address of 730 Mass Ave., Arlington, MA 02476 ("TOWN").

WHEREAS, OPERATOR presently operates a Registered Marijuana Dispensary dispensing facility ("RMD") in the TOWN at 11 Water Street, Unit 3B (the "Existing Location"), in accordance with regulations issued by the Commonwealth of Massachusetts Department of Public Health ("DPH");

WHEREAS, OPERATOR seeks to operate a Marijuana Retailer Establishment ("MRE"), as defined in M.G.L. c 94G, Section 1, for retail sales of marijuana and marijuana products in the TOWN at 1386 Massachusetts Avenue (the "New Location");

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN by way of gift or grant in the event that it receives a Final License to operate a MRE in the TOWN by the Cannabis Control Commission ("CCC");

WHEREAS, if OPERATOR obtains and MRE as detailed above, it intends to seek approval from the appropriate regulatory authority to move its RMD from the Existing Location to the New Location and operate both its RMD and MRE from the New Location;

NOW, THEREFORE, in consideration of the above, OPERATOR offers and the TOWN accepts the following Agreement terms in accordance with M.G.L. ch.44 §53A:

1. OPERATOR shall pay to the TOWN 3% of the gross revenue received by OPERATOR from retail sales at the MRE accruing from the date of commencement of sales by OPERATOR in the TOWN ("Sales Commencement Date"). The initial payment to the TOWN shall be made on the first day of the seventh month after the Sales Commencement Date ("Initial Payment Date"), and shall reflect gross revenue for the first quarter of sales. Thereafter payments shall be made every six months, and shall reflect the

subsequent six month's sales, with the final three months payment remaining unpaid until three months after the termination of this Agreement. OPERATOR shall notify the TOWN when OPERATOR commences retail sales within the TOWN.

OPERATOR's records maintained pursuant to 935 CMR 500.105(8) will be available to the TOWN upon request to verify OPERATOR's payment amounts. The TOWN may notify OPERATOR to delay the initial payment, in which case the initial payment shall be made as specified by the TOWN; however, the timing of subsequent payments shall be made as if the initial payment had been on the Initial Payment Date.

2. OPERATOR shall work with the Arlington Police Department in determining the placement of exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the MRE is located. OPERATOR will maintain a cooperative relationship with the Arlington Police Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and communication to Arlington Police Department of any suspicious activities on the site.
3. Except for senior management positions, OPERATOR commits to hiring local, qualified employees to the extent consistent with law. In addition to the direct hiring, OPERATOR will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Arlington area where possible.
4. The OPERATOR shall submit at least annual financial records to the Town on or before January 15 of each calendar year, with a certification of the Gross Sales for the respective year. The OPERATOR shall also submit to the Town copies of any additional financial records that the OPERATOR is required to submit to DPH.
5. The OPERATOR shall maintain its books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years.

6. The purpose of this Agreement is to assist the TOWN in addressing any public health, safety and other effects or impacts the MRE may have on the TOWN. The TOWN shall use the above-referenced payments in its sole discretion consistent with the purpose of the Agreement.
7. This Agreement shall terminate at the time that either of the following occur:
 - a. the TOWN notifies OPERATOR of the TOWN's termination of this Agreement for "cause", which shall be defined as a failure of the OPERATOR to adhere to the terms of this Agreement or Massachusetts and local laws, ordinances and regulations which is not cured within ten (10) days after written notice thereof; or
 - b. OPERATOR ceases to operate a MRE in the TOWN
8. The obligations of OPERATOR and the TOWN recited herein are specifically contingent upon the issuance by CCC to OPERATOR of a Final License for the operation of a MRE in the TOWN, and OPERATOR obtaining all required approvals from the TOWN for the OPERATOR to serve customers from the New Location in Town.
9. OPERATOR agrees that upon the commencement of sales at the MRE from the New Location, OPERATOR will apply to change the location of its RMD from the Existing Location to the New Location. Within five (5) business days following such application, OPERATOR will cease operating its RMD at the existing Location and will not commence operation of its RMD at the New Location until it receives approval from the appropriate Massachusetts regulatory agency. Apart from this provision regarding the change of location of the RMD, all other terms of the previously executed Community Host Agreement between OPERATOR and TOWN regarding the RMD will remain in full force and effect.
10. OPERATOR shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the TOWN and shall not assign any of the moneys payable under this Agreement, except with the written consent of the TOWN, provided, however, that a pledge or assignment of assets, profits or receivables required in connection with financing the business by OPERATOR shall not be

considered an assignment for the purposes of this paragraph.

11. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the TOWN nor OPERATOR shall assign or transfer any interest in the Agreement without the written consent of the other.
12. OPERATOR shall comply with all laws, rules, regulations and orders applicable to the operation of an MRE, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of an MRE.
13. 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 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.
14. 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.
15. 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.
16. This Agreement, including all documents incorporated herein by reference, constitutes 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.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

TOWN OF ARLINGTON

APOTHCA, INC.

By:_____

By:_____

Its:

Its:

Dated:

Dated: