



Town of Hinsdale

39 South Street
Hinsdale, MA 01235

Select Board
413-355-2300, x345
select.board@hinsdalema.gov

Marijuana Cultivation Establishment Host Community Agreement between the **Town of Hinsdale and Sunlight Farms, LLC.**

This Agreement (the "Agreement") is entered into this 23 day of June 2021, by and between Sunlight Farms, LLC, a Massachusetts Corporation with a principal office address of 238 Main Street, Williamstown, MA 02167 (the "Company"), and the Town of Hinsdale, a Massachusetts municipal corporation with a principal address of 39 South Street, Hinsdale, MA 01235 (the "Town"), acting by and through its Select Board in reliance upon all of the representations made herein (the Company and Town collectively, referred to as the "Parties").

WHEREAS, the Company wishes to locate a Tier II Cultivation Establishment, exclusively for the indoor cultivation of adult-use marijuana, with approximately 800 square feet of office area, 6,800 square feet of indoor cultivation space, 1,600 square feet of indoor processing space, and 800 square feet of storage space, on an 12 acre parcel of land at 172 Peru Road, Hinsdale, MA, more accurately described by the deed recorded with the Berkshire Middle District Registry of Deeds Book 6022 page 224 on, and on Map 406 and numbered Lot 41 in the Assessor's database (the "Property") in the Town (the "Establishment"), 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 Town in accordance with its Zoning Bylaw and other applicable local regulations; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite license from the Cannabis Control Commission (the "CCC") or such other state licensing or monitoring authority, as the case may be, and receives all required local permits and approvals from the Town, to operate the Establishment; and

WHEREAS, the Parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Establishment, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town.

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

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Annual Payments

In the event that the Company obtains the requisite licenses and/or approvals as may be required for the operation of the Establishment, including but not limited to an occupancy permit from the Town's Building Commissioner and a final license and approval to operate from the CCC, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to locate, occupy and operate the Establishment in the Town ("Commencement of Operations"), then the Company agrees to provide the following Annual Payments:

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's roads and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, both quantifiable and unquantifiable, the Company agrees to pay an Annual Community Impact Fee to the Town, in the amount and under the terms provided herein.

1. The Company shall pay an Annual Community Impact Fee in an amount equal to three percent (3%) of the gross sales produced by all operations at the Establishment and distributed to other off-site marijuana establishments. The term "Gross Sales" shall mean the total of all marijuana transactions of the Establishment, including wholesale sales, and shall be determined by arms-length wholesale sales made by the Establishment during the year and shall include all marijuana and marijuana products, including marijuana-infused products cultivated and/or sold by the Establishment. In the event the marijuana or marijuana products cultivated at the Establishment are sold by the Company at any marijuana establishment(s) located outside of the Town that is also owned by the Company, such that the product is not subject to an arms-length sale, the value of such product for purposes of calculating the Community Impact Fee shall be based on the higher of: (i) 50% of the retail price at which such marijuana or marijuana products are sold by such marijuana retailer; or (ii) the highest wholesale price charged by the Company in any arms-length transaction during the preceding six (6) months.
2. The Annual Community Impact Fee shall be made in quarterly installments per the Town's fiscal year (July 1 - June 30) on September 30, December 31, March 31, and June 30. The Annual Community Impact Fee for the first year of operation shall be prorated based on the number of months the Establishment is in operation; provided, however, that in no event shall the Town be responsible for the return of any Annual

Community Impact Fee or portion thereof already provided to the Town by the Company.

3. The Annual Community Impact Fee shall continue for a period of five (5) years from the date the Commencement of Operations, and shall be extended for successive five (5) year terms thereafter, for as long as the Establishment remains in operation. At least ninety (90) days before the conclusion of each of the respective five (5) year terms, the Parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided however, if the Parties are unable to reach an agreement on a new Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2(A)(1) of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a new Annual Community Impact Fee.
4. The Town may use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services and permitting and consulting services, as well as unforeseen impacts upon the Town. See Paragraph 2(A)(5). The Company acknowledges and agrees that the Town is under no obligation to use the Community Impact Fee in any particular manner.
5. 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 have agreed to utilize a fixed percentage of Gross Sales as specified in Paragraph 2(A)(1) above in lieu of attempting to determine 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 any claims to the contrary.
6. Annual Community Impact Fees are expressly included as “other municipal charges” pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of the Company or agent thereof if the Company’s name appears on a list furnished to the licensing authority from the Town Collector of those delinquent on their taxes and/or water bills, provided written notice is given to the Company by the Tax Collector, as required by applicable provision of law, and the Company has not cured such delinquencies within fourteen (14) days after said notice, and provided further that the Annual Community Impact Fee is not being withheld as a result of a judicial action by the Company challenging the Annual Community Impact Fee only if prior written notice is given by the Company of such action within ten (10) days of the date said Annual Community Impact Fee is due as set forth in Paragraph 2(A).

B. Annual Community Benefits

The Company shall make the Annual Community Impact Fee payments set forth in Paragraph 2(A), above, to the Town. While the purpose of the Annual Community Impact Fee is to assist the Town in addressing any public health, safety, and other effects or impacts the Establishment may have on the Town and on municipal programs, services, personnel, and facilities, the Town may expend the Annual Community Benefit Payments for any municipal purpose at its sole and absolute discretion. Notwithstanding and in addition to the Annual Community Impact Fee payments, nothing shall prevent the Company from making donations from time to time to causes that will support the Town, including but not limited an Annual Community Benefit Payment, which the Company agrees to pay in the amount and under the terms provided herein.

1. The Company shall pay to the Town an Annual Community Benefit Payment in the sum of two thousand five hundred dollars (\$2,500.00) annually. The Town may use this Community Benefit Payment as it deems appropriate in its sole discretion. The Annual Community Benefit Payment shall continue for a period of five (5) years from the date the Commencement of Operations, and shall be extended for successive five (5) year terms thereafter, for as long as the Establishment remains in operation. At least ninety (90) days before the conclusion of each of the respective five (5) year terms, the Parties shall negotiate in good faith the terms of a new Annual Community Benefit Payment as an Amendment to this Agreement; provided however, if the Parties are unable to reach an agreement on a new Annual Community Benefit Payment, the Annual Community Benefit Payment specified in Paragraph 2(B)(1) of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Annual Community Benefit Payment.
2. The Annual Community Benefit Payment shall be made annually in July, following the Town's fiscal year (July 1 - June 30) following the Commencement of Operations. The Annual Community Benefit Payment for the first year of operation shall be prorated based on the number of months the Establishment is in operation; provided, however, that in no event shall the Town be responsible for the return of any Annual Community Benefit Payment or portion thereof already provided to the Town by the Company.
3. The Parties hereby recognize and agree that the Annual Community Benefit Payments to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

C. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, shall annually contribute to local charities/non-profit organizations in the Town of Hinsdale that benefit Hinsdale residents, said charities/non-profit organizations to be determined by the Company, in an amount no less than

of two thousand five hundred dollars (\$2,500.00). The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first July 1 anniversary following the Commencement of Operations at the Establishment, and shall continue for the term of this Agreement. The Company shall provide the Town with evidence of such payment within thirty (30) days of the annual anniversary of the Commencement of Operations.

The Parties hereby recognize and agree that the Annual Community Benefit Payments to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

D. Additional Costs, Payments and Reimbursements

1. ***Permit and Connection Fees:*** The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's required building permit fee and other required Town permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
2. ***Establishment Consulting Fees and Costs:*** The Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the Establishment, negotiation of this and any other related agreements, and any review concerning the Establishment, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Establishment. Any consulting and legal fees and costs associated with the Establishment, including the cost to negotiate this Agreement, shall be paid from a Fifteen Thousand Dollar (\$15,000) contribution made by the Company to the Town within thirty (30) days of the execution of this Agreement. Upon request, the Town shall provide the Company with all invoices for said fees and costs.
3. ***Late Payment Penalty:*** The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Paragraph 2 of this Agreement. In the event that any such uncontested payments are not fully made with thirty (30) days of written notice from the Town of such unpaid payments due, the Company shall be required to pay the Town a late payment penalty of five percent (5%) on the outstanding funds subject to an interest rate of one and one half percent (1.5%), compounding monthly, on the total amount of the outstanding payment and penalty.

E. Annual Reporting for Host Community Impact Fees

The Company shall submit an annual written report to the Town's Select Board within thirty (30) days after the payment of its fourth (4th) quarterly installment of the Annual Community Impact Fees with a certification of: (1) its annual Gross Sales; and (2) its compliance with all other requirements of this Agreement (the "Annual Report"). During

the term of this Agreement, but no more than once per year, the Company shall agree, upon request of the Town, to appear before a meeting of Select Board to review compliance with the terms of this Agreement. Such meeting shall occur no later than thirty (30) days following written notice from the Town.

The Company shall maintain 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. Upon written request by the Town, the Company shall provide the Town copies of any financial records which relate to the determination of its Gross Sales (to be treated as confidential, to the extent allowed by law) for purposes of obtaining and maintaining a license for the Establishment.

During the term of this Agreement and for three (3) years following the termination of this Agreement the Company shall agree, upon request of the Town (up to once annually) to have its financial records examined, copied and audited by an Independent Financial Audit the expense of which shall be borne by the Company, provided such expense is considered an off-set to the Annual Community Impact Fee. The Independent Financial Audit shall review the Company's financial records for purposes of determining that the Community Impact Fee are in compliance with the terms of this Agreement. Such examination shall be made not less than sixty (60) days following written notice from the Town. The Independent Financial Audit, to the extent possible, shall be limited to those parts of Company's books and financial records which relate to "Gross Sales." The Independent Financial Review shall include a certification of itemized Gross Sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement, as they relate to the Community Impact Fee. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. No Off-Set Payments

If the Town receives additional payments from the Company, or from the Department of Revenue or any other source, the funds for which have been collected by assessment against the Company, including, but not limited to taxes, imposed by an act of the legislature of the Commonwealth of Massachusetts, or a mandate from the Town for said payments, the amounts due from the Company to the Town under the terms of this Agreement shall not be reduced by the amount of such other payments, notwithstanding Section 2(B)(E) of this Agreement as it relates to the Independent Financial Audit expenses to be paid by the Company.

4. Community Support

- A. Local Vendors** – To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to give priority to 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 Establishment when such

contractors and suppliers are properly qualified and price competitive. It being understood by the Parties, that this provision of the Agreement does not prevent the Company from engaging the most qualified vendors and from complying with all laws and regulations. The Company's Annual Report to the Select Board shall include information concerning the use of local vendors.

- B. Employment** – Except for senior management, or current employees, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to hire Town residents. It being understood by the Parties, that this provision of the Agreement does not prevent the Company from (i) engaging the most qualified employees, (ii) from complying with all laws and regulations, and (iii) from conforming to and being consistent with the CCC's requirements. The Company's Annual Report to the Select Board shall include information concerning the number of Hinsdale residents employed at the Establishment.

Best efforts shall include actively soliciting bids from Town vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full-time employees to Town residents advertising through all typical, local and regional employment advertising outlets. The Company also agrees to make reasonable efforts to utilize women-owned, veteran-owned and minority-owned vendors within the Town.

- C. Educational Programs** – Company shall use best efforts to provide staff to participate in a reasonable number of Town-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with other Town public safety departments not mentioned in the Agreement. The Company's Annual Report to the Select Board shall include information concerning the number of Town-sponsored educational programs provided.

5. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company 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 the Company 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 the Company shall pay to the Town 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; this payment shall be in addition to the payment made by the Company under Paragraph 2 of this Agreement.

6. Security

- A.** To the extent requested by the Town's Police Department (the "Police Department"), and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras and reviewing and approving all security plans prior to implementation and Commencement of Operations at the Establishment it being understood by the Parties that security and architectural measures shall not conflict with the CCC's regulations but that the Police Department may require more stringent measures be taken by the Company.
- B.** The Company agrees to 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 Establishment, and with regard to any anti-diversion procedures. In the event of any unusual circumstances requiring same, the Company shall work with Town's Police Chief to engage local police details from Town or nearby municipalities to monitor and secure the Establishment after 5:00 pm and during weekends and will pay such personnel at the Company's expense.
- C.** To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the commencement of operations at the Establishment, provided such plan does not conflict with diversion prevention requirements of the CCC, or such other state licensing or monitoring authority, as the case may be. Such plan shall include, but is not limited to, (i) training the Company employees to be aware of, observe, and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion; and (ii) utilizing appropriate tracking software to closely track all inventory at the Establishment.
- D.** The Company shall promptly report the discovery of the following to the Town's Police within twenty-four (24) hours of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, consumers or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or

mechanical malfunction that is expected to last longer than eight (8) hours; and any other breach of security.

7. Community Impact Hearing Concerns and Community Forums

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to incorporate into its written policies and procedures provisions that address its intent to mitigation any reasonable concerns or issues related to the anticipated operation of the Establishment, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community Outreach Meeting(s), as determined in the Select Board's sole discretion, provided any such modifications to the Company's policies and procedures do not conflict with the CCC regulations. In addition, at the request of the Select Board, the Company shall hold community forums for discussion with neighboring residences and businesses owners in order to address community feedback and neighborhood concerns with respect to the operation of the Establishment; the Company shall establish or update its written policies and procedures to address reasonable concerns raised, provided any such modifications to the Companies policies and procedures do not conflict with the CCC regulations. Said written policies and procedures shall be presented to the Select Board and reviewed annually by the Board as part of the Company's Annual Report to ensure compliance with the policies and procedures.

The Company further agrees and acknowledges that in the event the Town receives five (5) or more reasonable complaints, as determined in the Select Board's sole discretion, relating to the operations of the Establishment within any twelve (12) month period from Town citizens or businesses, with respect to the failure to mitigate said concerns, the Town shall provide notice to the Company and the Company shall be required to meet with the Select Board, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints to the satisfaction of the Board.

8. Limitation on Use

The Company agrees that, even if authorized under CCC regulations, it shall not engage in delivery of adult use marijuana directly to consumers and shall not permit retails or on-site social consumption on the Property absent prior written approval from the Select Board.

9. Outdoor Cultivation

The Company hereby agrees and acknowledges that it shall only engage in indoor cultivation operations at the Establishment unless it receives prior written consent from the Select Board to engage in outdoor cultivation operations. The Company further agrees and acknowledges that the Select Board may place reasonable limitations on the Company's outdoor cultivation operations which shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

10. Annual Inspections

The Company agrees that it will voluntarily submit to a minimum of one (1) annual inspection by the Police, Fire, Health and Building Departments to ensure compliance with the terms of this Agreement and other local approvals. This provision shall not preclude the Town or any of its departments from conducting inspections at other times during the year to address enforcement matters.

11. Hours of Operation

The Company agrees that in no event shall the Establishment be open for business, nor shall any cultivating, processing, packaging, delivery or other distribution of marijuana occur at the Establishment outside the hours of 7:00 A.M. through 10:00 P.M. Monday through Sundays, unless otherwise further limited by the Town's special permit granting authority.

12. Electrical Usage and Renewable Energy Requirements

Prior to the Commencement of Operations at the Establishment, the Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the CCC and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the CCC to reduce energy usage and consumption and engage in energy conservation; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of thirty six (36) watts per gross square foot of active and growing canopy, provided such requirement does not conflict with the CCC requirements and exceptions.

The Company shall use lighting practices to reduce light pollution, that minimize the impact on maintaining a 'dark sky', by using best practices for outdoor lighting such as shielding lights and directing them down, selecting lamps with warmer colors, use less light and only where needed, and shielding any indoor lighting after sunset and before sunrise.

The Company shall report to the Select Board annually on its energy use and shall include in its Annual Report a summary of its ongoing strategies to further reduce electrical demand.

13. Water Consumption

The Company shall use best efforts to minimize water consumption at the Establishment and shall follow the CCC's Best Management Practices for Water Use. Water consumption techniques shall include: (a) a commitment to not engaging in water intensive cultivation methods such as ebb and flood hydroponic cultivation; and (b) installation of dehumidifiers in each room where cultivation occurs to collect and reuse moisture evaporating from plants resulting in reclamation of significant quantities of water.

In addition, the Company shall install water meters, conduct regular water audits to determine the amount and location of water use, and develop and implement a water savings strategy.

The Company shall report to the Water and Sewer Commission annually on its water use, and shall include in its Annual Report a summary of its ongoing strategies to further reduce water use.

14. Waste and Waste Water Controls

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations. Liquid waste containing marijuana or by-products of marijuana processing shall be disposed of in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21 §§ 26-53; 314 CMR 3.00: Surface Water Discharge Permit Program; 314 CMR 5.00: Groundwater Discharge Program; 314 CMR 12.00: Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers; the Federal Clean Water Act, 33 U.S.C. 1251 et seq., the National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122, 314 CMR 7.00: Sewer System Extension and Connection Permit Program), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: Industrial Wastewater Holding Tanks and Containers.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater. The Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Establishment. Company agrees to consult with the Hinsdale Water and Sewer Department regarding its cultivation methods and wastewater plan prior to the Commencement of Operations at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Hinsdale Water and Sewer Department, including, but not limited to, testing requirements and tank holding requirements if deemed necessary by the Town.

The Company will ensure that no fewer than two (2) agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12) of the CCC regulations. When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two (2) Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three (3) years.

The Company shall report to the Select Board annually on its water and waste water controls, and shall include in its Annual Report a summary of its ongoing strategies to further reduce pollution. The Company shall also document in said report its compliance with the requirements of this Paragraph 14.

15. Pest Management

The Company shall comply with the Cannabis Control Commission's Guidance on Integrated Pest Management and shall apply chemical controls judiciously. Pesticides shall not be used as the primary method of pest control. "Minimum-risk (25(b))" pesticides for use in cannabis cultivation may be used in moderation.

16. Odor Control

The Company shall ensure that odor from the Establishment is not released so as to constitute a nuisance, as reasonably determined by the Select Board, to surrounding properties. The Company has developed an odor mitigation plan and submitted the plan to the Town (the "Odor Mitigation Plan"). The Odor Mitigation Plan is attached as Exhibit A to the Agreement and is incorporated herein by reference and made a part of this Agreement. The intent of the odor mitigation plan is to mitigate, to the extent feasible, cannabis related odors onsite through the use of odor control technologies, including but not limited to appropriate ventilation and air handling equipment and odor resistant packaging. The Company shall work with a company called Pyureco, or such other company as may be necessary, to ensure proper implantation and adherence to the Odor Mitigation Plan. Pyureco, or such other company as may be necessary, shall place purification units within the Establishment that will safely generate hydroxyls and other molecules that naturally "seek and destroy" bacteria, viruses, mold, odor causing chemicals and VOCs. The hydroxyls neutralize odor molecules and gasses by breaking down their chemical bonds. The Company shall comply with the Odor Mitigation Plan and shall ensure proper maintenance of all odor mitigation equipment according to manufacturer recommendations to ensure maximum efficiency.

The Company agrees and acknowledges that in the event that the Town receives five (5) or more reasonable complaints, as determined in the sole discretion of the Select Board, of odor being detected from abutting and neighboring properties, with respect to odor impacts in relation to the operation of the Establishment over the course of a twelve (12) month period, from Town citizens and/or businesses, then the Company shall be required to meet with the Select Board upon its written request. The Company further agreed and acknowledges that the Select Board may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the odor complaints, including, but not limited to, having its odor prevention mechanism and technologies reviewed and assessed by Independent Engineer, to the reasonable satisfaction of the Select Board. The Company agrees and acknowledges that if odor mitigation is not addressed to the reasonable satisfaction of the Select Board, the Company shall immediately, within thirty (30) days after such notice, be fined \$1,000/day until compliance is met.

Nothing set forth herein, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable state laws and regulations, the Town's local bylaws and regulations, or conditions set forth in the Special Permit decision, as applicable, and/or Site Plan Approval, with respect to odor violations.

17. Improvements to the Establishment Site

The Company shall make capital improvements to the site at which the Establishment is located such that the Property will match the look and feel for the Establishment proposed by the Company in its presentations and applications to the Town. The Company agrees to comply with all laws, rules, regulations and orders applicable to the Establishment, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work. The Company agrees that the Establishment shall be adequately screened from the public way and nearby properties to the extent feasible and while complying with all applicable state and local laws and regulations to the reasonable satisfaction of the Select Board.

18. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a license for operation of Establishment in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate Establishments in the Town.

This Agreement does not affect, limit, or control the authority of Town 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 Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Establishment to operate in the Town, or to refrain from enforcement action against the Company and/or its Establishment for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

19. Re-Opener/Review

The Company or any "controlling person" in the Company, as defined in 935 CMR 500.02, shall be required to provide to the Town notice and a copy of any other Host Community Agreement entered into for any establishment in which the Company, or any controlling person in the Company, has any interest and which is licensed by the CCC as the same type of establishment as the entity governed by this Agreement.

In the event the Company or any controlling person enters into a Host Community Agreement for a Cultivation Marijuana Establishment with another municipality in the Commonwealth that contains terms that are superior to what the Company agrees to provide the Town pursuant to this Agreement, then the Parties shall reopen this Agreement and negotiate an amendment resulting in benefits to the Town equivalent or superior to those provided to the other municipality.

20. Support

The Town agrees to submit to the CCC, or such other state licensing or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license to operate the Establishment or any ongoing required license renewals, where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Establishment, in any particular way other than by the Town normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

21. Term and Termination

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the Establishment in Town with the exception of the Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license from the CCC and all necessary local permits from the Town and commenced operations at the Establishment within twenty-four (24) months from the date of execution of this Agreement takes effect, this Agreement shall expire at the discretion of the Select Board, and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Establishment within the Town. The Select Board, in its discretion, may agree to an extension of the twenty-four (24) month expiration, for good cause, which shall include the time required to pursue or await the issuance of a final license from the CCC or the issuance of local permits or the determination of an appeal of the special permit or other legal proceeding.

The Town may terminate this Agreement for cause by providing written notice to the Company in the event that: (i) the Company with willful or gross negligence violates any laws of the Town or the Commonwealth with respect to the operation of the Establishment, and such violation remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation; (ii) Company fails to make uncontested payments to the Town as required under this Agreement, and such failure remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation; or (iii) any other material breach of the Agreement by the Company, which material breach remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation.

In the event of termination of this Agreement, the Company shall immediately cease all operations at the Establishment.

22. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign or obligate any of the monies payable under this Agreement, except by and with

the written consent of the Town; provided that such consent shall not be unreasonably withheld, conditioned or delayed. This Agreement is binding upon the Parties hereto, their successors, assigns and legal representatives.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest (iv) any other material change in ownership or status of the Company; (v) any assignment for the benefit of creditors; or (vi) any other assignment that requires notice to the CCC.

23. Notices

Any and all 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 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.

To the Town: Town of Hinsdale
 c/o Town Administrator
 39 South Street
 Hinsdale, MA 01235

Copy to: KP Law, P.C. – Hinsdale's Town Counsel
 Attention: Joel B. Bard, Esq. and Nicole Costanzo, Esq.
 101 Arch Street, 12th Floor
 Boston, MA 02110

To the Company: Sunlight Farms, LLC.
 c/o Joshua Silver
 238 Main Street
 Williamstown, MA

24. Severability

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, that provision will be enforced to the maximum extent permissible and the remaining provisions of this Agreement will remain in full force and effect. The Town and the Company agree to negotiate an amendment of this Agreement, in good faith, to address any term that is determined to be illegal, otherwise invalid, or incapable of being enforced by court of competent jurisdiction.

25. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

26. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. 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.

27. 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.

28. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

29. 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.

30. Signatures

Facsimile and electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature.

31. 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 Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

32. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Establishment in Town or relocates the Establishment out of Town; provided, however, that in the case of any relocation out of the Town, the Company agrees that an adjustment of Community Impact Fee due to the Town hereunder shall be calculated based upon the period of occupation of the Establishment within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

33. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Establishment (the "Indemnified Acts"). Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be charged at regular and customary municipal rates, of the Town's choosing incurred in defending such claims, actions, proceedings or demands, and the Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all such costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand. Notwithstanding the above, the Company shall have no responsibility for the Indemnified Acts when such action is brought against the Town challenging the granting of the rights under this Agreement by a party also seeking the right to open similar establishments to the one contemplated under this Agreement.

34. Third-Parties

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

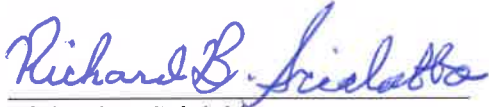
35. Representation of Authority

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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

TOWN OF HINSDALE,
By and through its Select Board,



Richard B. Scialabba
Select Board Chair

Joshua Silver

Sunlight Farms, LLC,



Joshua Silver (Sep 17, 2021 08:11 EDT)

Principal:

Title:

Member

EXHIBIT A
ODOR MITIGATION PLAN

Sunlight Farms, LLC

ODOR PLAN

Sunlight Farms, LLC (Sunlight) will be engaging the services of www.pyureco.com to neutralize any odors that might be generated at their site in Hinsdale, MA. They are pioneers in the application of this patented technology, which is explained below.

Units will be placed in certain areas of the facility. Once the building are completed, Pyureco will assess existing conditions and determine the exact size and specific locations of each machine within each building. The intent is that whatever air is coming out of the building will have been treated by the Pyureco technology such that no odor will be detectable. Should there be any occurrences of odor detection at a neighbor/receptor, the placement and/or size of the machines will be revised, such that occurrences will be eliminated.

How it Works

What are Hydroxyls?

Hydroxyls (HO•) are safe, naturally occurring molecules. They are created in the outdoors when the ultraviolet rays of the sun react with oxygen and water vapor from the air. This is a natural process that constantly occurs in our atmosphere. Mother Nature's hydroxyls are the single most important agent that scrubs and cleanses our planet's atmosphere.

However, hydroxyls do not occur indoors, as natural hydroxyls are quickly dissipated without the action of the sun to sustain their formation. Therefore, a patented process was developed, through years of field-testing, to restore Nature's balance indoors. The Pyureco process mimics Mother Nature by safely generating hydroxyls and other molecules that naturally "seek and destroy" bacteria, viruses, mold, odor causing chemicals and VOCs. Hydroxyls actually neutralize odor molecules and gasses by breaking down their chemical bonds. This can be done with even some of the most difficult molecules, such as hydrogen sulfide (H₂S) and ammonia (NH₃).

Are Hydroxyls Safe?

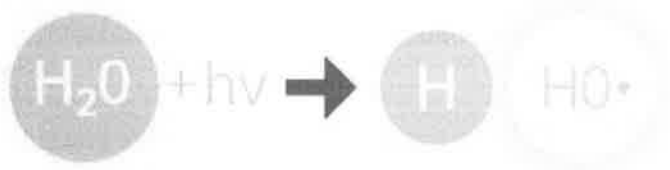
Pyureco systems are designed to generate the same concentration of hydroxyls and natural by-products indoors as the sun does outdoors. Odors and microorganisms swept through the systems are killed in two ways: by exposure to UV and by attack by hydroxyls. Inside the device they are simultaneously exposed to high levels of powerful UV radiation that destroys cellular DNA and to hydroxyl attacks that decompose the organic chemicals that form their protective cell walls. The technology continues to sanitize when hydroxyls transform VOCs into a cascade of natural organic oxidants that are stable enough to circulate throughout the treatment space and kill microorganisms in air and on hard and porous surfaces. Odors disappear as the VOC that cause them are transformed to CO₂ and water vapor. As the treatment air continues to be recycled through the powerful UV chamber, VOC and their by-products continue to be attacked, being transformed into

CO₂ and water. The steady state amounts and types of VOC that remain are similar to what we find outdoors.

People, plants and animals have evolved to thrive in an atmosphere purified by the action of hydroxyls.

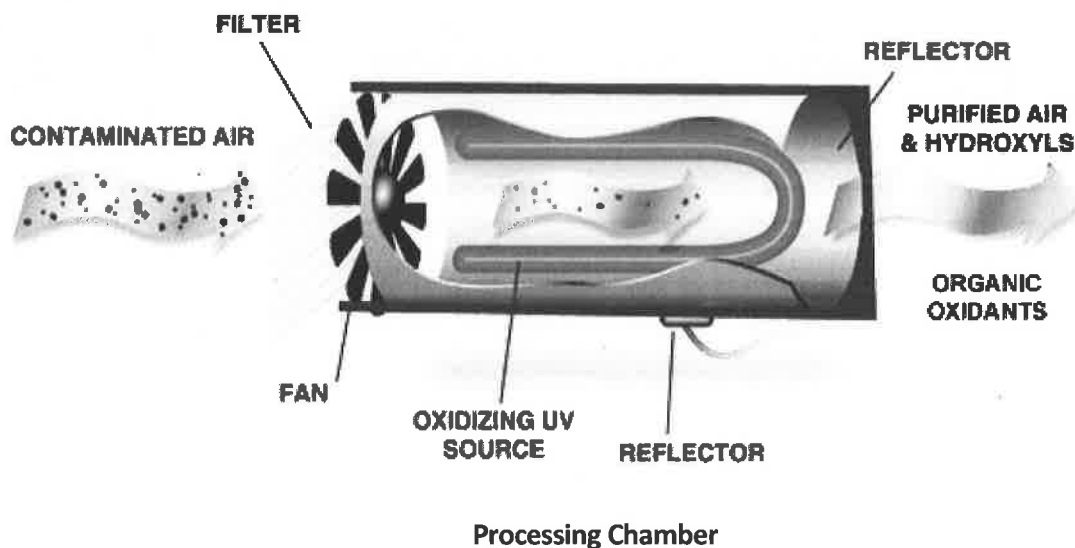
Hydroxyl Generators replicate this natural process:

Pyureco systems use UV so powerful it cleaves water molecules directly to create hydroxyls (HO•). Chemicals and microorganisms passing within the UV chamber are attacked immediately by the UV radiation and the oxidizing power of HO•.



Pyureco implements a dual process attack on contaminants.

1. The processing chamber sanitizes airflow and produces hydroxyls (HO•).
2. The hydroxyl (HO•) molecules exit the chamber to decontaminate surfaces and contents



The processing chamber integrates proprietary UV generating optics with a patented reflective chamber to optimize the production of high concentrations of HO that react within milliseconds to transform VOC into a cascade of natural organic oxidants that have a chemical feature similar to peroxide: the R-O-O group, where R is an organic molecule. These organic peroxides kill microorganisms in a manner similar to hydroxyls and hydrogen peroxide (H-O-O-H). These natural oxidants also permeate porous materials to sanitize and deodorize.

The Cascade Effect



These cascades of organic peroxide compounds formed from VOC are stable enough to circulate throughout the treatment space and sanitize air, and hard and porous materials. They never accumulate. As they are recirculated, they get smaller and smaller in size until they are transformed into CO₂ and water. When used as directed, the low concentrations that persist at any time are as safe indoors as they are outdoors since the Pyureco systems are carefully designed to produce the same concentrations indoors that exist outdoors on a sunny day.

The cascade effect ensures that air and remote surfaces are thoroughly sanitized and deodorized

Safe

All Pyureco Hydroxyl Generators are ETL certified for safety and quality assurance by the world's largest independent testing, inspection and certification partner, Intertek. ETL is a US independent safety agency that sets standards for product safety.

The hydroxyl generating technology does not use any chemicals but merely mimics the earth's atmospheric cleansing process and brings it indoors. The earth has used this same technique for millions of years proving it to be effective and safe for humans, plants and pets.

This is a big departure from the drawbacks of prevailing air purification methods, such as Ozone Generation, Ionizers and Plasma Generators.

Green

Many companies describe their products and services as "green" but what does that really mean? Pyureco products are truly Green since they harness nature's powerful sanitizing and deodorizing process for safe use indoors.

Pyureco systems sanitize by the action of hydroxyls. Just as in nature, small amounts of ozone are also formed: you cannot generate one without the other. The technology does not use the ozone formed to sanitize... there is too little formed to be useful. Pyureco systems optimized their technology to minimize ozone formation and ensures safe use by directing users to install the right sized device or system for a given, normally ventilated space. All indoor spaces should be ventilated to remain safe...whether you are using a sanitizing system or not as occupied spaces normally build up unsafe levels of CO₂, VOC and microorganisms.

Pyureco simply uses UV light and humidity to create the hydroxyls to drive the cleaning process. It uses very little energy and cleans some of the toughest odor, bacterial and viral problems on the planet.