

CITY OF NORTH ADAMS
AND
SPENCER HOUSE, LLC

HOST COMMUNITY AGREEMENT

THIS HOST COMMUNITY AGREEMENT (the "Agreement") is entered into is entered into this 15th day of February 2021 (the "Effective Date"), by and between Spencer House, LLC, a limited liability company, with a principal office address of 215 Johnson Hill Road, Washington, MA 01223 (the "Company"), and the City of North Adams, a Massachusetts municipal corporation with a principal address of 10 Main Street, North Adams, MA 01247 (the "City"), acting by and through its Mayor in reliance upon all of the representations made herein (the Company and City collectively, referred to as the "Parties").

WHEREAS, the Company wishes to locate a Marijuana Retail Establishment, which shall be limited in its operations to the dispensing and sale of marijuana, marijuana infused products and related products for adult-use, with approximately 1,312 sq./ft. square feet, consisting of approximately 472 square feet of office area, 182 square feet of storage area, and approximately 658 square feet of retail/dispensing area, on an approximately .05 acre parcel of land, located at 91 American Legion Drive, North Adams, Massachusetts 01247, more accurately described by the deed recorded with the Northern Berkshire District Registry of Deeds Book 00662, page 236 on, and on Map 15 and numbered Lot 46 in the Assessor's database (the "Facility"), 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 City in accordance with its Zoning Ordinances and other applicable local regulations;

WHEREAS, the Company anticipates that the City will incur additional expenses and impacts on the City's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the City;

WHEREAS, the Company intends to provide certain benefits to the City 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, to operate the Facility and receives all required local permits and approvals from the City; 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 Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the City.

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 City 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. Legal Fees

The Company shall reimburse the City for its reasonable legal fees and costs associated with the Facility, including the negotiation of this Agreement, which shall be paid from a five thousand dollar (\$5,000.00) contribution made by the Company to the City no later than thirty (30) days from the Effective Date of this Agreement. Any unexpended funds shall be returned by the City; legal fees exceeding the five thousand dollar (\$5,000) contribution shall be reimbursed to the City no later than thirty (30) days from the date of the City's request for the same.

3. Annual Payments

In the event that the Company obtains the requisite Final License from the CCC and all necessary and required state and local approvals, permits and/or licenses required for the operation of the Facility, and at the expiration of any final appeal periods related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the City, then the Company agrees to provide the following Annual Community Impact Fee:

A. Annual Community Impact Fee

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

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of gross annual sales of marijuana and marijuana products at the Facility. The term "gross sales" shall mean the total of all sales transactions of the Facility without limitation, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility.
2. The Annual Community Impact Fee shall be made in quarterly installments per the City's fiscal year (July 1 - June 30). With regard to any quarter year of operation for the Facility which is not a full quarter year, the applicable quarterly installment of the Community Impact Fee shall be pro-rated accordingly. The Facility shall be deemed in operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a final license and approval from the CCC (the "Commencement of Operations").

3. The Annual Community Impact Fee shall continue for a period of five (5) years from the Commencement of Operations. A minimum of three (3) months prior to the conclusion of the five (5) year term, the Parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 3.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 successor Community Impact Fee.
4. The City shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to off-set 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 City. The Company acknowledges and agrees that the City is under no obligation to use the Annual Community Impact Fee payments 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..." Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual City costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to City Costs and waives any claims to the contrary.

B. Annual Community Benefit Payments

In addition to the Annual Community Impact Fee, Company agrees to additionally pay an Annual Community Benefit Payment to the City in the amount and under the terms provided herein.

1. For as long as the Facility is in operation, the Company shall pay to the City the sum of twenty thousand dollars (\$20,000) annually. The City may use this Community Benefit Payment as it deems appropriate in its sole discretion.
2. The Annual Community Benefit Payments shall be made in quarterly installments per the City's fiscal year (July 1 - June 30) upon 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 Facility is in operation; provided, however, that in no event shall the City be responsible for the return of any Annual Community Benefit Payments or portion thereof already provided to the City 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. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company anticipates that it will make purchases of water and sewer from all local government agencies. The Company will pay any and all fees associated with the local permitting of the Facility. If the City receives other payments from the Company (other than additional voluntary payments made by the Company), or from the Department of Revenue or any other source, the funds 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 City for said payments, the amounts due from the Company to the City under the terms of this Agreement shall not be reduced by the amount of such other payments. The Company hereby acknowledges and agrees to pay the usual and customary building permit and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the City.
2. Facility Consulting Fees and Costs: The Company shall reimburse the City for any and all reasonable and customary consulting costs and fees, including without limitation, reasonable attorneys' fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, consulting, and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility.
3. Other Costs: The Company shall reimburse the City for the actual costs incurred by the City in connection with holding public meetings and forums not within the City's regularly scheduled public hearings and meetings, which are solely devoted to discussing and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.
4. Police Officer Training: The Company shall reimburse the City for the costs incurred for local police officers to complete Drug Recognition Expert and/or Advanced Roadside Impairment Driving Enforcement training program; provided, however, that any upfront payment for such fees and costs shall be offset against the Annual Community Impact Fee.
5. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 3 of this Agreement. In the event that any such payments are not fully made within

ten (10) business days of the date written notice has been received, the Company shall be required to pay the City a late payment penalty equal to three percent (3%) on the outstanding funds subject to an interest rate of one percent (1%) compounding monthly, on the total amount of the outstanding payment and penalty.

D. 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 City, or a regional non-profit organization that directly benefits residents of the City, in an amount no less than fifteen thousand dollars (\$15,000), said charities/non-profit organizations to be determined by the Company. The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first anniversary following the Commencement of Operations at the Facility, and shall continue for the term of this Agreement.

The Parties hereby recognize and agree that any charitable/non-profit contributions to be paid by the Company shall not be deemed a community impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

E. Annual Reporting for Host Community Impact Fees and Compliance

The Company shall submit annual written reports to the City within thirty (30) days after the payment of its fourth quarterly installment of the Annual Community Impact Fees with a certification of: (1) its annual sales; and (2) its compliance with all other requirements of this Agreement. During the term of this Agreement the Company shall agree, upon request of the City, to appear before a meeting of City Council to review compliance with the terms of this Agreement. Such meeting shall occur no later than thirty (30) days following written notice from the City.

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 request by the City, the Company shall provide the City with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a Certificate of Registration for the Facility.

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 City, to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the payment of its Annual Community Impact Fees are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the City and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment, and 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. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

4. Local Vendors and Employment

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 Facility when such contractors and suppliers are properly qualified and price competitive, and shall use best efforts to hire City residents. Best efforts shall include actively soliciting bids from City vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full time employees first to City residents before advertising through all typical regional employment advertising outlets. The Company also agrees to make reasonable efforts to utilize women-owned, veteran-owned and minority-owned vendors within the City.

5. Approval of Manager

If requested by the City, the Company shall provide to the City, for review and approval, the name and relevant information, including but not limited to the information set forth in 935 CMR 500.030, or such other state regulations, as the case may be, of the person(s) proposed to act as on-site manager(s) 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.

6. Community Support

Upon the Commencement of Operations, the Company agrees to commit to no less than eighty (80) volunteer hours annually, to be provided by the Company's management and employees, to support drug awareness, public health programs, community development and/or community improvement projects within the City.

7. Educational Programs

Company shall use best efforts to provide staff to participate in a reasonable number, no less than four (4), of City-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with other City public safety departments not mentioned in the Agreement.

8. Hours of Operation

The Company agrees that in no event shall the Facility be open for business, nor shall any dispensing, delivery or other distribution of marijuana occur at the Facility outside the hours of 10:00 A.M. through 7:00 P.M. Monday through Sundays, unless otherwise allowed or further restricted by the Planning Board.

9. Traffic Mitigation

The Company agrees to cooperate with City officials on traffic management, including, but not limited to the City's Police Department, to ensure that sufficient traffic control measures are in place to mitigate traffic impacts. The Company shall pay for all customary traffic control measures required by the City and shall also, at its own expense, employ a police detail, if deemed necessary by the City, to manage traffic at the site. In the event that there is traffic queuing at the Facility that cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues. The Company further agrees to maintain sufficient spaces on site for customer parking. The Company shall also make arrangements for employee parking off street and off site, and shall provide the City with documentation regarding its employee parking plan.

10. Limitations on Use

The Company agrees that, even if authorized under by the CCC regulations, it shall not permit on-site social consumption at the Facility absent prior written approval from the City.

11. Odor Control

The Company shall ensure that odor from the Facility is not released so as to constitute a nuisance to surrounding properties and shall use a vented odor control system so as not to release or introduce any outdoor air into the Facility, nor allow any indoor air to escape. The Company shall employ odor control technology to remove odors and harmful volatile organic compounds (VOCs) from the Facility. The Company shall ensure proper maintenance of all odor mitigation equipment to ensure maximum efficiency. In the event that the City receives complaints concerning the presence of odor from the Facility, the Company shall address such complaints and may be required to introduce new measures to control odor emanating from the Facility.

12. 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 any 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 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; this payment shall be in addition to the payment made by the Company under Section 3 of this Agreement.

13. Security and Safety

To the extent requested by the City's 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 City's Police Department in reviewing and approving all security plans prior to implementation and the Commencement of Operations.

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 Facility, and with regard to any anti-diversion procedures to ensure that the marijuana and marijuana products sold in the Facility are not being transferred to the illegal market or to minors.

The Company shall implement a comprehensive diversion prevention plan to prevent diversion of marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. Such plan shall include, but shall not be 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 Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any suggested changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to the City's Police Department 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 hours; and any other breach of security.

The Company agrees and acknowledges that annual inspections of the Facility by the City's Police Department, City's Fire Department, Building Department and Board of Health shall be a condition of continued operation in City and agrees to cooperate with the City's Police Department, City's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility. This provision shall not preclude the City or any of its other departments from conducting inspections at the Facility.

The Company further agrees that all signage and packaging for marijuana products shall comply applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and further agrees that to the extent 935 CMR 501.000 imposes more stringent requirements on packaging, labeling, marketing or the form of permitted edibles, the Company will comply with the more restrictive regulatory provisions.

14. Community Impact Hearing Concerns

The Company agrees to conduct a Community Outreach Meeting prior to the Commencement of Operations to work collaboratively and cooperatively with its neighboring businesses and residents. The Company shall, as a result of community feedback and neighborhood concerns, establish written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the Facility; said written policies and procedures, as may be amended from time to time at the request of the City, shall be reviewed annually by the City as part of the Company's annual report to ensure compliance with the policies and procedures and to address any further impacts requiring mitigation. The policies and procedures addressing community impact mitigation shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

15. Additional Obligations

A. Permitting

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

B. Retained Authority of the Municipality

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

C. Annual Reporting

The Company shall file an annual report with the City in connection with its annual financial submissions on July 31 of each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the City, appear at a regularly scheduled meeting to discuss the Annual Report.

D. Annual Inspections

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

E. Improvements to the Property

The Company shall make improvements to the Facility such that the Facility will match the look and feel of the City and the surrounding parcels, and be of construction standards at least at the quality of other nearby businesses. The Company agrees to comply with all laws, rules, regulations and orders applicable to the Facility, 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.

16. Support

The City 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 Facility 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 Facility, in any particular way other than by the City's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

17. Term

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 Facility in the City 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 City and commenced operations at the Facility within eighteen (18) months from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the City. The City, in its discretion, may agree to an extension of the eighteen (18) month expiration,

for good cause, which shall include the time required to secure CCC approval or to pursue or await the determination of an appeal of the special permit or other legal proceeding, provided, however, that such processes are expeditiously undertaken.

18. 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 City 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 Marijuana Retail Establishment with another municipality in the Commonwealth that contains terms that are superior to what the Company agrees to provide the City pursuant to this Agreement, then the Parties shall reopen this Agreement and negotiate an amendment resulting in benefits to the City equivalent or superior to those provided to the other municipality.

19. 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 City, and shall not assign or obligate any of the monies 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.

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) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the City.

20. 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 City:

Mayor
City of North Adams
10 Main Street

North Adams, MA

Copy To:

City Solicitor
Joel B. Bard, Esq.
KP Law, PC
101 Arch Street, 12th Floor
Boston, MA 02110

To Company:

Spencer House, LLC
215 Johnson Hill Rd.
Washington, MA 01223

21. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a 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 the City deems it would be substantially or materially prejudiced. Further, the Company agrees that 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 Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the City in enforcing this Agreement.

22. 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.

23. Entire Agreement

This Agreement constitutes the entire integrated agreement between the Company and the City 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 authorized representatives of both Parties hereto.

24. 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.

25. 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.

26. 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.

27. Signatures

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

28. 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 City and the Company and any other successor, affiliate or corporate entity as joint ventures or partners.

29. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the City or relocates the Facility out of the City. Further, in the case of any relocation out of the City, the Company agrees that an adjustment of Annual Payments due to the City hereunder shall be calculated based upon the period of occupation of the Facility within the City, but in no event shall the City be responsible for the return of any funds provided to it by the Company.

30. Indemnification

The Company shall indemnify, defend, and hold the City 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 City, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Facility to the extent caused by or contributed to by the Company, but specifically excluding such matters caused by the fraud or willful misconduct of the City, its agents, departments, officials, employees, insurers and/or successors. 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 at charged at regular and customary municipal rates, of the City's choosing incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the City, to reimburse the City for

any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

31. 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 City or the Company.

32. 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.

IN WITNESS WHEREOF, the Parties hereto have executed this House Community Agreement on the last dated day and year written below.

CITY OF NORTH ADAMS,

SPENCER HOUSE, LLC,

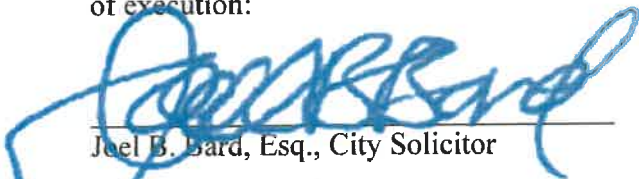

Thomas W. Bernard, Mayor


By: Heather Anello
Title: Manager

Date: 3/1/2021

Date: 2/15/21

Approval as to form and manner
of execution:


Joel B. Bard, Esq., City Solicitor
Date: March 2, 2021

CITY OF NORTH ADAMS
AND
SPENCER HOUSE, LLC

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WHEREAS, the Company anticipates that the City will incur additional expenses and impacts on the City's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the City;

WHEREAS, the Company intends to provide certain benefits to the City 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, to operate the Facility and receives all required local permits and approvals from the City; 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 Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the City.

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 City 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. Legal Fees

The Company shall reimburse the City for its reasonable legal fees and costs associated with the Facility, including the negotiation of this Agreement, which shall be paid from a five thousand dollar (\$5,000.00) contribution made by the Company to the City no later than thirty (30) days from the Effective Date of this Agreement. Any unexpended funds shall be returned by the City; legal fees exceeding the five thousand dollar (\$5,000) contribution shall be reimbursed to the City no later than thirty (30) days from the date of the City's request for the same.

3. Annual Payments

In the event that the Company obtains the requisite Final License from the CCC and all necessary and required state and local approvals, permits and/or licenses required for the operation of the Facility, and at the expiration of any final appeal periods related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the City, then the Company agrees to provide the following Annual Community Impact Fee:

A. Annual Community Impact Fee

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

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of gross annual sales of marijuana and marijuana products at the Facility. The term "gross sales" shall mean the total of all sales transactions of the Facility without limitation, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility.
2. The Annual Community Impact Fee shall be made in quarterly installments per the City's fiscal year (July 1 - June 30). With regard to any quarter year of operation for the Facility which is not a full quarter year, the applicable quarterly installment of the Community Impact Fee shall be pro-rated accordingly. The Facility shall be deemed in operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a final license and approval from the CCC (the "Commencement of Operations").

3. The Annual Community Impact Fee shall continue for a period of five (5) years from the Commencement of Operations. A minimum of three (3) months prior to the conclusion of the five (5) year term, the Parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 3.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 successor Community Impact Fee.
4. The City shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to off-set 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 City. The Company acknowledges and agrees that the City is under no obligation to use the Annual Community Impact Fee payments 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..." Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual City costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to City Costs and waives any claims to the contrary.

B. Annual Community Benefit Payments

In addition to the Annual Community Impact Fee, Company agrees to additionally pay an Annual Community Benefit Payment to the City in the amount and under the terms provided herein.

1. For as long as the Facility is in operation, the Company shall pay to the City the sum of twenty thousand dollars (\$20,000) annually. The City may use this Community Benefit Payment as it deems appropriate in its sole discretion.
2. The Annual Community Benefit Payments shall be made in quarterly installments per the City's fiscal year (July 1 - June 30) upon 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 Facility is in operation; provided, however, that in no event shall the City be responsible for the return of any Annual Community Benefit Payments or portion thereof already provided to the City 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. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company anticipates that it will make purchases of water and sewer from all local government agencies. The Company will pay any and all fees associated with the local permitting of the Facility. If the City receives other payments from the Company (other than additional voluntary payments made by the Company), or from the Department of Revenue or any other source, the funds 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 City for said payments, the amounts due from the Company to the City under the terms of this Agreement shall not be reduced by the amount of such other payments. The Company hereby acknowledges and agrees to pay the usual and customary building permit and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the City.
2. Facility Consulting Fees and Costs: The Company shall reimburse the City for any and all reasonable and customary consulting costs and fees, including without limitation, reasonable attorneys' fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, consulting, and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility.
3. Other Costs: The Company shall reimburse the City for the actual costs incurred by the City in connection with holding public meetings and forums not within the City's regularly scheduled public hearings and meetings, which are solely devoted to discussing and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.
4. Police Officer Training: The Company shall reimburse the City for the costs incurred for local police officers to complete Drug Recognition Expert and/or Advanced Roadside Impairment Driving Enforcement training program; provided, however, that any upfront payment for such fees and costs shall be offset against the Annual Community Impact Fee.
5. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 3 of this Agreement. In the event that any such payments are not fully made within

ten (10) business days of the date written notice has been received, the Company shall be required to pay the City a late payment penalty equal to three percent (3%) on the outstanding funds subject to an interest rate of one percent (1%) compounding monthly, on the total amount of the outstanding payment and penalty.

D. 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 City, or a regional non-profit organization that directly benefits residents of the City, in an amount no less than fifteen thousand dollars (\$15,000), said charities/non-profit organizations to be determined by the Company. The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first anniversary following the Commencement of Operations at the Facility, and shall continue for the term of this Agreement.

The Parties hereby recognize and agree that any charitable/non-profit contributions to be paid by the Company shall not be deemed a community impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

E. Annual Reporting for Host Community Impact Fees and Compliance

The Company shall submit annual written reports to the City within thirty (30) days after the payment of its fourth quarterly installment of the Annual Community Impact Fees with a certification of: (1) its annual sales; and (2) its compliance with all other requirements of this Agreement. During the term of this Agreement the Company shall agree, upon request of the City, to appear before a meeting of City Council to review compliance with the terms of this Agreement. Such meeting shall occur no later than thirty (30) days following written notice from the City.

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 request by the City, the Company shall provide the City with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a Certificate of Registration for the Facility.

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 City, to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the payment of its Annual Community Impact Fees are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the City and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment, and 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. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

4. Local Vendors and Employment

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 Facility when such contractors and suppliers are properly qualified and price competitive, and shall use best efforts to hire City residents. Best efforts shall include actively soliciting bids from City vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full time employees first to City residents before advertising through all typical regional employment advertising outlets. The Company also agrees to make reasonable efforts to utilize women-owned, veteran-owned and minority-owned vendors within the City.

5. Approval of Manager

If requested by the City, the Company shall provide to the City, for review and approval, the name and relevant information, including but not limited to the information set forth in 935 CMR 500.030, or such other state regulations, as the case may be, of the person(s) proposed to act as on-site manager(s) 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.

6. Community Support

Upon the Commencement of Operations, the Company agrees to commit to no less than eighty (80) volunteer hours annually, to be provided by the Company's management and employees, to support drug awareness, public health programs, community development and/or community improvement projects within the City.

7. Educational Programs

Company shall use best efforts to provide staff to participate in a reasonable number, no less than four (4), of City-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with other City public safety departments not mentioned in the Agreement.

8. Hours of Operation

The Company agrees that in no event shall the Facility be open for business, nor shall any dispensing, delivery or other distribution of marijuana occur at the Facility outside the hours of 10:00 A.M. through 7:00 P.M. Monday through Sundays, unless otherwise allowed or further restricted by the Planning Board.

9. Traffic Mitigation

The Company agrees to cooperate with City officials on traffic management, including, but not limited to the City's Police Department, to ensure that sufficient traffic control measures are in place to mitigate traffic impacts. The Company shall pay for all customary traffic control measures required by the City and shall also, at its own expense, employ a police detail, if deemed necessary by the City, to manage traffic at the site. In the event that there is traffic queuing at the Facility that cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues. The Company further agrees to maintain sufficient spaces on site for customer parking. The Company shall also make arrangements for employee parking off street and off site, and shall provide the City with documentation regarding its employee parking plan.

10. Limitations on Use

The Company agrees that, even if authorized under by the CCC regulations, it shall not permit on-site social consumption at the Facility absent prior written approval from the City.

11. Odor Control

The Company shall ensure that odor from the Facility is not released so as to constitute a nuisance to surrounding properties and shall use a vented odor control system so as not to release or introduce any outdoor air into the Facility, nor allow any indoor air to escape. The Company shall employ odor control technology to remove odors and harmful volatile organic compounds (VOCs) from the Facility. The Company shall ensure proper maintenance of all odor mitigation equipment to ensure maximum efficiency. In the event that the City receives complaints concerning the presence of odor from the Facility, the Company shall address such complaints and may be required to introduce new measures to control odor emanating from the Facility.

12. 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 any 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 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; this payment shall be in addition to the payment made by the Company under Section 3 of this Agreement.

13. Security and Safety

To the extent requested by the City's 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 City's Police Department in reviewing and approving all security plans prior to implementation and the Commencement of Operations.

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 Facility, and with regard to any anti-diversion procedures to ensure that the marijuana and marijuana products sold in the Facility are not being transferred to the illegal market or to minors.

The Company shall implement a comprehensive diversion prevention plan to prevent diversion of marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. Such plan shall include, but shall not be 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 Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any suggested changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to the City's Police Department 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 hours; and any other breach of security.

The Company agrees and acknowledges that annual inspections of the Facility by the City's Police Department, City's Fire Department, Building Department and Board of Health shall be a condition of continued operation in City and agrees to cooperate with the City's Police Department, City's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility. This provision shall not preclude the City or any of its other departments from conducting inspections at the Facility.

The Company further agrees that all signage and packaging for marijuana products shall comply applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and further agrees that to the extent 935 CMR 501.000 imposes more stringent requirements on packaging, labeling, marketing or the form of permitted edibles, the Company will comply with the more restrictive regulatory provisions.

14. Community Impact Hearing Concerns

The Company agrees to conduct a Community Outreach Meeting prior to the Commencement of Operations to work collaboratively and cooperatively with its neighboring businesses and residents. The Company shall, as a result of community feedback and neighborhood concerns, establish written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the Facility; said written policies and procedures, as may be amended from time to time at the request of the City, shall be reviewed annually by the City as part of the Company's annual report to ensure compliance with the policies and procedures and to address any further impacts requiring mitigation. The policies and procedures addressing community impact mitigation shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

15. Additional Obligations

A. Permitting

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

B. Retained Authority of the Municipality

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

C. Annual Reporting

The Company shall file an annual report with the City in connection with its annual financial submissions on July 31 of each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the City, appear at a regularly scheduled meeting to discuss the Annual Report.

D. Annual Inspections

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

E. Improvements to the Property

The Company shall make improvements to the Facility such that the Facility will match the look and feel of the City and the surrounding parcels, and be of construction standards at least at the quality of other nearby businesses. The Company agrees to comply with all laws, rules, regulations and orders applicable to the Facility, 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.

16. Support

The City 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 Facility 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 Facility, in any particular way other than by the City's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

17. Term

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 Facility in the City 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 City and commenced operations at the Facility within eighteen (18) months from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the City. The City, in its discretion, may agree to an extension of the eighteen (18) month expiration,

for good cause, which shall include the time required to secure CCC approval or to pursue or await the determination of an appeal of the special permit or other legal proceeding, provided, however, that such processes are expeditiously undertaken.

18. 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 City 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 Marijuana Retail Establishment with another municipality in the Commonwealth that contains terms that are superior to what the Company agrees to provide the City pursuant to this Agreement, then the Parties shall reopen this Agreement and negotiate an amendment resulting in benefits to the City equivalent or superior to those provided to the other municipality.

19. 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 City, and shall not assign or obligate any of the monies 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.

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) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the City.

20. 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 City:

Mayor
City of North Adams
10 Main Street

North Adams, MA

Copy To:
City Solicitor
Joel B. Bard, Esq.
KP Law, PC
101 Arch Street, 12th Floor
Boston, MA 02110

To Company:

Spencer House, LLC
215 Johnson Hill Rd.
Washington, MA 01223

21. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a 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 the City deems it would be substantially or materially prejudiced. Further, the Company agrees that 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 Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the City in enforcing this Agreement.

22. 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.

23. Entire Agreement

This Agreement constitutes the entire integrated agreement between the Company and the City 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 authorized representatives of both Parties hereto.

24. 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.

25. 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.

26. 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.

27. Signatures

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

28. 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 City and the Company and any other successor, affiliate or corporate entity as joint ventures or partners.

29. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the City or relocates the Facility out of the City. Further, in the case of any relocation out of the City, the Company agrees that an adjustment of Annual Payments due to the City hereunder shall be calculated based upon the period of occupation of the Facility within the City, but in no event shall the City be responsible for the return of any funds provided to it by the Company.

30. Indemnification

The Company shall indemnify, defend, and hold the City 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 City, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Facility to the extent caused by or contributed to by the Company, but specifically excluding such matters caused by the fraud or willful misconduct of the City, its agents, departments, officials, employees, insurers and/or successors. 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 at charged at regular and customary municipal rates, of the City's choosing incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the City, to reimburse the City for

any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

31. 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 City or the Company.

32. 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.

IN WITNESS WHEREOF, the Parties hereto have executed this House Community Agreement on the last dated day and year written below.

CITY OF NORTH ADAMS,

SPENCER HOUSE, LLC,

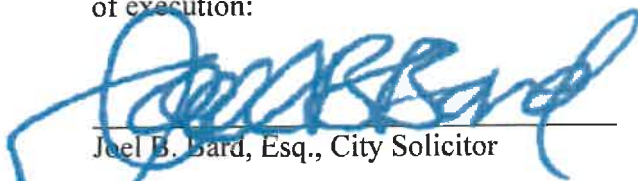

Thomas W. Bernard, Mayor


By: Heather Anello
Title: Manager

Date: 3/1/2021

Date: 2/15/21

Approval as to form and manner
of execution:


Joel B. Bard, Esq., City Solicitor
Date: March 2, 2021