Good morning,

The Town has been approached by a company wishing to open a retail recreational marijuana dispensary at 2 Vernon Street. As part of a multistep approval process, the Town is offered a host community agreement which would provide payment to the Town of up to 3% of gross sales to pay for the local impacts of marijuana. When the governor and Legislature straighten out the legislation, this 3% will be dedicated to response to the identified impacts. (currently headed to the General Fund)

A proposed draft agreement is attached.

Would you please consider what negative impacts this location may have along with possible costs to your department? For example, the police department may have extra patrols or inspections of the site and this would cost increased payroll or overtime. Or there may be a need for addition public or youth educational materials?

Please report your thoughts on impacts to me. I will seek information on what other Towns have listed. The Selectmen will begin their review of the Agreement on July 10.

Thank you,

Stuart
COMMUNITY HOST AGREEMENT

Date May 25, 2018

Parties

The Town/City of Ware, Massachusetts, by and through its Selectboard, having a principal office at 126 Main Street, Ware, Massachusetts 01082 ("Municipality"); and

Herbal Pathways LLC a Massachusetts LLC having a principal office at 10 West Street, Allenstown, NH 03275 ("Applicant").

Background:

Whereas in 2016 Massachusetts voters legalized marijuana (as amended by the legislature in 2017), authorizing under state law (including G.L. c. 94G) the cultivation, product manufacture and retail sales of marijuana and marijuana products to adults by state-licensed marijuana establishments; and,

whereas under c. 94G, the state agency issuing licenses for cannabis commerce is the Cannabis Control Commission (CCC), which requires pursuant to c. 94G, sec. 3(d) before the submission of a state license application, an applicant's execution of a "community host agreement" (HCA; see the next provision) with the municipality in which the applicant seeks to locate a licensed marijuana establishment; and,

whereas section 3(d) of c. 94G, requires that the HCA between an applicant and municipality "set" in the words of the statute,

the conditions to have a marijuana establishment located within the host community which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment. An agreement between a marijuana establishment and a host community may include a community impact fee for the host community; provided, however, that the community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment and shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or be effective for longer than 5 years. Any cost to a city or town imposed by the operation of a marijuana establishment shall be documented and considered a public record as defined by clause Twenty-sixth of section 7 of chapter 4. [references to medical marijuana facilities omitted:] and,

whereas the Applicant proposes to operate a CCC-licensed marijuana establishment to perform retail sales of cannabis, to be located within the Municipality at 2 Vernon Street, and has gained – or the Municipality reasonably expects to grant – approval therefor under local zoning; and,

whereas the parties intend hereby to stipulate conditions and responsibilities between the Municipality and the Applicant, not covered by local zoning approval process or CCC-
licensing requirements, in accordance with said Section 3(c) of Chapter 94G, quoted above:

NOW THEREFORE, in consideration of mutual covenants, the parties stipulate and agree as follows:

1. **Purpose.** The purpose of this agreement is to satisfy the requirements of c. 94G, sec. 3(d) above; to protect the Municipality from bearing costs reasonably related to the Applicant's operation of a licensed marijuana establishment (Establishment); and, to the extent funds generated by this agreement exceed such costs, promote and encourage cannabis-related economic development and education in the Municipality.

2. **Community Impact.**

   (a) Negative impact. The Municipality reasonably expects to experience the following negative impact arising from the operation of Applicant’s Establishment, and the following related costs (borne by the Municipality from operation of the Establishment); these anticipated costs presume the Applicant’s operation in compliance with state and local laws, the violation of which impose significant penalties on the Applicant:

<table>
<thead>
<tr>
<th>Anticipated Negative Impact</th>
<th>Anticipated Costs to Municipality</th>
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<tbody>
<tr>
<td>[Describe]</td>
<td>[$ Itemize]</td>
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   (b) Mitigation. In mitigation of such costs to the Municipality, Applicant shall pay to Municipality (for deposit into its Impact Mitigation Fund), quarterly over five years, 3% of its gross from sales of marijuana and marijuana products, on or before the 15th day following the close of each quarter, together with accountant-certified financial reports showing the basis for each payment's calculation.

   (c) Positive Impact. Applicant reasonably expects that its Establishment's successful operation will bring benefits to the Municipality, by creating jobs, stimulating local businesses, contributing to the positive development of its neighborhood, and bringing new revenue and acclaim to the Municipality. The parties expect that the positive impact of the Applicant's prospective operation, and the foregoing impact mitigation payments, shall offset any negative community impact reasonably related to Applicant's operation under section (a) above.
3. **Stipulation of Responsibilities.**

   (a) Applicant’s Responsibilities. The Applicant shall:

   (1) Maintain its Establishment's premises in a neat and tidy condition and conduct its operations in a businesslike and professional manner, with due regard for the interests of this community;

   (2) If contacted by a representative of the Municipality, the Applicant shall respond immediately and substantively;

   (3) Maintain its Establishment license in good standing with the CCC and comply with all applicable state laws and CCC regulations;

   (4) Comply with any and all conditions imposed by local zoning authorities and other municipal bylaws and regulations;

   (5) Prevent of sales of marijuana to people under 21 years old, including, but not limited to [Our retail store shall have and follow a set of detailed written operating procedures that follow the Security measures in compliance with 935 CMR 500.110. Employees will be trained in security policies, including personal safety and crime prevention techniques. We will have a policy in place for the immediate dismissal of any marijuana retail employee who has diverted marijuana, which shall be reported to law enforcement officials and to the Commission. Upon entry into the retail store by an individual, a retail store employee shall immediately inspect the individual’s proof of identification and determine the individual’s age. An individual shall not be admitted to the premises unless the retailer has verified that the individual is 21 years of age or older by reviewing his or hers ID. Our retail store employees will refuse to sell marijuana to any consumer who is unable to produce valid proof of identification even if known personally. The retail store will have signs and material to hand out to customers that says consumers may not sell marijuana to any other individual. We will have video cameras in all areas that may contain marijuana, at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, sales areas and areas where marijuana is stored, handled or dispensed. Cameras shall be angled so as to allow for the capture of clear and certain identification of any person entering or exiting the retail store or area. The recordings will have date and time stamp embedded in all recordings, which shall be synchronized and set correctly at all times and shall not significantly obscure the picture.]

   (6) Make reasonable efforts to first hire local vendors and employees, and otherwise to engage its Establishment in the local economic mainstream;

   (7) Document all sales, distributions and deliveries from the Establishment, and all financial records upon which the community impact fee is calculated, and provide copies to the Municipality upon request;

   (8) Work with the Municipality’s Police Department to determine the scope of security measures taken on and about the Establishment’s premises, including but not limited to a traffic management plan, the location of exterior security cameras to provide unobstructed surveillance of the entire premises, fencing, facility security, identification of marijuana agents and other Establishment employees, and after-hours contact information. Applicant will maintain
a cooperative relationship with the Police Department to ensure the Establishment's premises and operations are sufficiently safeguarded, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and reporting to the Police Department of any suspicious activities at the establishment;

(9) Within thirty (30) days hereof, pay to Municipality a processing fee in the amount of $1,000 to compensate the Municipality for its reasonable costs, including attorney’s fees, associated with the development and approval of this agreement.

(b) Municipality’s Responsibilities. The Municipality shall:

(1) Establish a Impact Mitigation Fund as a separate account, into which the mitigation payments shall be deposited, and from which funds may be appropriated at the Municipality's sole discretion for the purposes identified above;

(2) Provide an appropriate forum whereby the views of citizens about the Applicant’s operations can be aired and Applicant have the opportunity to address complaints or suggestions that arise concerning Applicant’s operations;

(3) Accommodate reasonable requests for the installation and use of state of the art security and fire protection/alarm systems;

(4) Recognize the Applicant as having all the rights, duties and responsibilities of, and deserving of equal treatment with, other businesses in the Municipality;

(5) If reasonably requested by Applicant, provide a letter in the nature of an estoppel certificate, stating that the municipality is aware of no outstanding violations of local law or insufficiently addressed complaints;

(6) If contacted by the CCC, promptly provide any requested information regarding the Applicant, including confirmation that the site on which the Applicant's Establishment is located is in a local zoning district for which the Applicant's operation is a permitted use, although special permit relief and a final CCC license may be required before final occupancy and operation may begin.

4. Term. The term of this agreement is five (5) years from the date Applicant commences marijuana sales from the address identified above. If Applicant's Establishment ceases to do business before the expiration of the term, this agreement shall terminate upon the payment and approval of the Applicant’s final payment to the Impact Mitigation Fund, which shall be apportioned.

5. Other Provisions.

(a) This agreement may not be amended or assigned without the parties' written consent.

(b) Nothing herein shall be construed to limit the lawful authority of Municipal agencies to carry out their duties under state and local law.
Signed at Ware Town Hall, Massachusetts, this day and year respectively below written.

Municipality          Applicant
Ware, Massachusetts   Herbal Pathways LLC.
By its Selectboard     CEO

Ken Crowley
Leased Property at 2 Vernon Street
Ware, Massachusetts

Board of Selectmen:

_________________________
John E. Carroll, Chairman

_________________________
Michael P. Fountain

_________________________
Keith J. Kruckas

_________________________
Tracy R. Opalinski

_________________________
Alan G. Whitney

_________________________, 2018
Date
HOST COMMUNITY AGREEMENT – 04/17/18 DRAFT

This Agreement (the “Agreement”) is entered into this ___ day of ___, 2018 by and between the Town of Brookline, acting by and through its Town Administrator, with a principal address of 333 Washington St., Brookline, MA 02445 (hereinafter the "Town"), and New England Treatment Access, Inc., LLC, a duly organized Massachusetts limited liability company with a principal office address of 5 Forge Parkway, Franklin, Massachusetts 02038 (the “Company”).

WHEREAS, the Company currently operates a Registered Marijuana Dispensary (“RMD”) (also known as a Medical Marijuana Treatment Center) facility for the purpose of sales of medical marijuana and medical marijuana products at 160 Washington Street in the Town (the “Premises”), currently pursuant to regulations issued by the Commonwealth of Massachusetts Department of Public Health (“DPH”) and the Town of Brookline enacted in connection with Chapter 369 of the Acts of 2012 (the “Establishment”, which shall include current operations and operations as they may be expanded); and

WHEREAS, the Company and the Town acknowledge that they have previously executed a Host Community Agreement dated December 2015 concerning exclusively medical marijuana sales (the “2015 HCA”); and

WHEREAS, the 2015 HCA provided for certain payments to be made to the Brookline Community Foundation (“BCF”) through at least 2020, to wit, $300,000 for 2018, $325,000 for 2019, and $350,000 for 2020; and

WHEREAS, the 2015 HCA provided that the parties shall renegotiate the terms of the 2015 HCA in the event that it becomes permissible under Massachusetts law for the Company to sell or distribute marijuana at the Establishment for purposes other than the medical use authorized by its Massachusetts Department of Public Health license (“DPH”); and

WHEREAS, in November 2016, Massachusetts voters approved Question 4 to the 2016 ballot, resulting in the enactment of G.L. c. 94G and Chapter 55 of the Acts of 2017 permitting the sale of recreational marijuana and transferring the State licensing the sale of medical and recreational marijuana and medical and recreational marijuana products from the DPH to the Massachusetts Cannabis Control Commission (“CCC”); and

WHEREAS, in light of the approval of Question 4 to the 2016 State ballot and the enactment of G.L. c. 94G, and Chapter 55 of the Acts of 2017, the Company intends to acquire a Massachusetts Cannabis Control Commission (“CCC”) Marijuana Retailer License to also permit the retail sales of non-medical marijuana and non-medical marijuana products (“Retail Sales”) at the Premises pursuant to and in accordance with such laws and with the regulations issued by the CCC and the Town; and

WHEREAS, the Company intends to make certain payments to the Town to address direct or secondary impacts of the Company’s operations within the Town pursuant to applicable Massachusetts law and CCC regulations while it operates the current RMD, as well as in the event that it receives a CCC Marijuana Retailer license permitting it to expand the Establishment’s operations to include Retail Sales and in the event that it receives all other required permits and approvals to operate as a Marijuana Retailer; and
WHEREAS, the parties intend by this Agreement to satisfy the provisions of State law pertaining to host community agreements between host communities and marijuana establishments and/or medical marijuana treatment centers, including, but not limited to, 935 CMR 500 and G.L. c.94G, § 3(d); and

WHEREAS, the parties seek to maintain the current financial commitments to BCF set forth in the 2015 HCA through 2020 for the purposes set forth in Section 6 herein;

WHEREAS, the parties intend that this Agreement replaces, supplants and supersedes the 2015 HCA, and shall constitute the stipulations of responsibilities between the Town and the Company pursuant to applicable State law pertaining to host community agreements between host communities and marijuana establishments and/or medical marijuana treatment centers, including but not limited to, 935 CMR 500 and G. L. c. 94G, § 3(d); and

WHEREAS, certain Warrant Articles have been filed for Town Meeting’s consideration at the May 2018 Annual Town Meeting (“ATM”) that propose to regulate Marijuana Establishments in the Town, including the Establishment’s operations as a Marijuana Retailer (see Warrant Articles 17, 18 and 21 to the 2018 ATM); and

WHEREAS, representatives of the Company, including the Company’s legal counsel, attended the Selectmen’s Licensing Review Committee’s public meetings in 2018 at which the Warrant Articles were discussed, and provided feedback in connection with them; and

WHEREAS, the Company requests that the Town enter into a host community agreement with it prior to the 2018 ATM at which the Warrant Articles proposing to regulate the Establishment’s operations will be considered;

NOW THEREFORE, in consideration of the provisions of this Agreement and other good and valuable consideration, the receipt of which is hereby expressly acknowledged, the Company and the Town hereby agree as follows:


The parties anticipate that, as a result of the Company’s operation of the Establishment, the Town will incur additional expenses and impacts upon its road system, law enforcement, inspectional services, permitting services, administrative services, educational services and public health services, in addition to potential additional unforeseen impacts upon the Town. To mitigate the financial impact upon the Town and use of Town resources, the Company agrees to annually pay a community impact fee to the Town, in the amounts and under the terms provided herein (the “Annual Payments”).

2. Annual Payment.

The Company agrees to provide the following Annual Payment for each year this Agreement is in effect.

a. Subject to Section 2(d) below, the Company shall make Annual Payments in an amount equal to three percent (3%) of the Company’s gross revenue from marijuana and marijuana product sales at the Establishment. In the first year of operation, the Annual Payment shall be prorated from the day after Opening Date and be made in
two payments. The first payment shall be in the amount of $100,000 upon
commencement of sales of non-medical marijuana and non-medical marijuana
products at the Establishment ("Opening Date"). The second payment shall be the
balance of the three percent of gross sales as prorated from the day after Opening
Date less the first payment of $100,000. The balance of the Annual Payment shall
be due no later than twelve (12) months after the Opening Date.

b. In the second, third, fourth and fifth years of operation: 3% of the Company’s gross
revenue from marijuana and marijuana product sales at the Establishment in each
calendar year of operation shall be paid in two (2) six (6) month segments; the first,
covering the first six (6) months of the operating year, measured annually from the
Opening Date, shall be paid within two hundred forty (240) days and the balance,
covering the second six (6) months of the operating year, to be paid within sixty (60)
days after the end of the year of operation.

c. With regard to any year of operation for the Establishment which is not a full
calendar year, the applicable Annual Payments shall be pro-rated accordingly.

d. During each of the calendar years 2018, 2019 and 2020, the Company’s payments to
the Town shall be reduced as follows, and payments made to the Brookline
Community Foundation ("BCF") as follows:

i. Payments to the BCF shall be $300,000 for 2018 (as prorated from the day
after Opening Date), $325,000 for 2019, and $350,000 for 2020, except that such
amounts shall be reduced by an amount that assures that the Company’s annual
payments to the Town pursuant to this Section 2 herein for the portion of the
Company’s gross revenue from medical marijuana and medical marijuana
product sales are not less than $300,000 for calendar year 2018 (as prorated from
the day after Opening Date), $325,000 for calendar year 2019, and $350,000 for
calendar year 2020.

ii. The parties contemplate that the BCF will grant NETA’s payments pursuant
to this Section 2(d) only for purposes that mitigate against the anticipated
impacts of the Establishment and its operations on the Town, including the
Town’s law enforcement, inspectional, permitting, administrative, educational
and public health services, and other unforeseen impacts of the Establishment
and its operations on the Town and use of Town resources. The BCF shall do so
in consultation with relevant Town Departments, including, but not limited to,
the Town’s Health and Police Departments, and obtain written confirmation from
the Town that the grants satisfy this standard. The BCF shall gift any balance of
NETA’s payments to the Town in the event that it does not grant such monies or
any portion thereof to third parties for these purposes. The BCF shall maintain
documentation of the grantees’ use of its grants for the foregoing purposes and
shall provide such documentation to any person upon request.

iii. The Company’s payments to BCF shall be subject to the terms set forth in a
separate agreement between the Company and BCF that contain the terms of
Section (2)(d)(i)-(ii) above. In the event that BCF fails to execute such an
agreement, the Company’s payments to BCF under this Section (2)(d) shall be
3. **Payments.**

The Company shall make the Annual Payments set forth in Section 2, above, to the Town of Brookline. The Treasurer of the Town shall receive and hold the Annual Payments in conformity with applicable law, for the purposes of addressing the potential public health, safety, and other effects or impacts of the Establishment on the Town and on municipal programs, services, personnel, and facilities. While the purpose of the Annual Payments 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 Payments at its sole and absolute discretion. Notwithstanding the Annual Payments, nothing shall prevent the Company from making additional donations from time to time to causes that will support the Town, including but not limited to local drug abuse prevention/treatment/education programs.

To the extent that any payments hereunder are deemed not enforceable or not required, the Company agrees to voluntarily donate or gift such payments to the Town.

4. **Stipulations Pertaining to the Establishment’s Operations.**

   a. The Company’s operations in connection with the Establishment shall comply with all applicable State and local laws, regulations, by-laws, codes, conditions and agreements with the Town, including, but not limited to, G.L. c. 94G, G.L. c. 94I, 935 CMR 500, the Town of Brookline’s General By-Laws, the Town of Brookline’s Zoning By-Laws, all applicable Town building, fire prevention, police, and health codes, regulations and standards, and any conditions imposed on licenses and permits held by the Company in connection with the Establishment (including, but not limited to, the Town’s Zoning Board of Appeals special permit and any Select Board license).

   b. The Company’s operations at the Establishment shall be limited to those permitted by a CCC Marijuana Retailer license pertaining to the Establishment and to the Premises (160 Washington St., Brookline, Massachusetts). There shall be no consumption, production or manufacture of any products at the Establishment. Production and manufacture does not pertain to repackaging of cannabis products produced or manufactured off-site.

   c. The Company shall maintain all permits and licenses required by State and local laws in connection with the Establishment, including, but not limited to, a valid, current license in good standing from the CCC. Any voiding of the CCC’s license by operation of law (including due to cessation of operations, failure to become operational within the permitted time, or relocation without CCC approval), and any revocation or suspension of the Marijuana Retailer license applicable to the Establishment, shall result in an automatic suspension of any applicable special permit and Select Board license pending further determination by the Zoning Board of Appeals and/or Select Board, as applicable, made in conformity with law.

   d. A Manager or Alternate Manager must be on the Premises during the
Establishment’s hours of operation. In the event of an emergency, the Manager or Alternate manager on site who needs to leave the premises shall designate an Alternate Manager to act as the temporary manager on duty. A written record shall be kept which identifies the Manager or Alternate Manager on duty for each shift. The Manager or Alternate Manager on duty shall have total responsibility for the proper operation of the Establishment’s premises and operations.

The Company must obtain Select Board approval for the Manager and Alternate Manager(s) and for any change in Manager and Alternate Manager(s), which may entail the Select Board’s review of a person’s suitability for such position. In the event that the Select Board or designee undertakes a criminal background check in connection with such suitability determination, the Company shall provide to each person for whom it seeks Select Board approval a CORI Acknowledgment Form and a hard or electronic copy of the Town’s “CORI Policy: Licensing”, and provide to that person an opportunity to review such materials prior to the person’s execution of the CORI Acknowledgment Form and the Establishment’s submittal of the executed CORI Acknowledgment Form to the Town.

e. In the event the Company wishes to close the Establishment or cease its operations under its CCC’s Marijuana Retailer license and/or Select Board license for any period of time, whether on a temporary or permanent basis, it must provide thirty (30) days advance notice in writing to the Select Board of its intent to close or cease operations, stating the reason(s) therefor and any plans to reopen, including the date of reopening. The Company shall be responsible for the Annual Payments in Section 2 and donation in Section 6 unless the cessation of operations is noticed as a permanent cessation, in which case the Company shall be responsible for a prorated portion of such Payments and donation through the date of the cessation of operations.

f. The Establishment’s operations under the Company’s applicable Marijuana Retailer license shall be conducted within the building.

g. The Establishment’s hours of operation must be approved by the Select Board. The Establishment shall not change its hours of operation without Select Board approval.

h. The Company shall ensure that the Establishment’s hours and methods of transportation of product shall not be a detriment to the surrounding area and nearby uses.

i. Deliveries of marijuana and marijuana products shall not originate from the Premises unless explicitly required by State law.

j. The Company shall have a police officer on-site to direct traffic in and out of the Premises. With a minimum of two (2) weeks advance written notice to the Town Administrator, the Company may apply for a waiver of this requirement from the Chief of Police or designee, who may waive this requirement following review of any Traffic Demand Management Plan and/or actual traffic operations at the site.

k. The Company shall have a parking attendant on the Premises during the Establishment’s hours of operation to assist visitors with parking vehicles and with ingress onto and egress from the Premises.
l. The Company shall maintain a designated patient/handicap drop off space/zone within the Establishment’s parking lot.

m. The Company shall conspicuously post signs in the Establishment’s parking lot informing the public that parking spaces are for use by NETA patrons only and that parking time is limited to 30 minutes maximum.

n. The Company shall not permit any disorder, disturbance, or illegality under State or local law of any kind at the Establishment and on the Premises.

o. Establishment shall make reasonable efforts to ensure that its operations shall not result in illegal redistribution under State or local law of marijuana or marijuana products obtained from the Establishment, or in use of marijuana or marijuana products in any manner that violates State or local law.

p. Establishment operations shall not create nuisance conditions in parking areas, sidewalks, streets and areas surrounding its premises and adjacent properties. “Nuisance” includes, but is not limited to, disturbances of the peace, open public consumption of marijuana or marijuana products, excessive pedestrian or vehicular traffic, odors emanating from the Establishment’s premises, electrical lighting, illegal drug activity under State or local law, harassment of passersby, excessive littering, excessive loitering, illegal parking, excessive loud noises, excessive citation for violations of State traffic laws and regulations and/or Transportation Department Rules and Regulations, queuing of patrons (vehicular or pedestrian) in or other obstructions of the public way (sidewalks and streets), collisions between vehicles, bicyclists, and pedestrians, lewd conduct or police detentions and arrests.

q. The Company shall equip the Premises and shall otherwise conduct the Establishment’s operations in such a manner that (a) no pesticides or other chemicals or products are dispersed into the outside atmosphere, and (b) no odor of marijuana or marijuana products or its processing can be detected by a person with an unimpaired and otherwise normal sense of smell at the exterior of the facility or at any adjoining use or property.

r. The Company shall be required to remove all marijuana and marijuana products from the Premises by the earlier of:

   i.) prior to surrendering its CCC Marijuana Retailer license; or

   ii.) within six (6) months of ceasing operations.

s. The Establishment’s operations shall comply with 527 CMR and with Chapter 38 of the NFPA 1 (2018), as they may be amended, and as applicable.

t. The Company shall accept as valid proof of age the forms of identification listed in the safe harbor provision of M.G.L. c. 138, § 34B as to liquor sales, both in connection with sales by the Company through the Establishment’s operations and for deliveries of marijuana and marijuana products to locations within the Town if sold other than through the Establishment’s operations. The Company agrees to implement any other measures that may be specified by the Select Board or its
designee pertaining to such verification of age procedures.

u. The Company shall not supply marijuana or marijuana products free of charge or as otherwise prohibited by 935 CMR 500.105. Prohibited endeavors shall include, but are not limited to, product "giveaways", gifts, coupons, free or donated marijuana or the distribution of marijuana or marijuana products as an incentive, prize or bonus in a game, contest or tournament involving skill or chance.

v. The Company is prohibited from use of on-site self-service displays on the Premises which permit the customer to receive marijuana and marijuana products without the physical assistance of a Marijuana Establishment Agent. Self-service displays are defined to mean displays from which customers may select marijuana or marijuana products without assistance from an employee or store personnel, and include vending machines.

w. The Company shall maintain compliance with any Town Police Department-approved security and public safety plan as the Police Department may require (which the Police Department may amend in its sole discretion) in connection with the Premises or the Establishment’s operations, which plan may include measures relating to alarms, fencing, gates, limited access areas, delivery procedures, police details, specification of video and lighting locations, notifications to the Police Department in the event of any known or suspected violation of criminal law that has taken place on or near the Premises (related or unrelated to the operations of the Establishment), notifications to the Police Department in the event of any incident reporting to the CCC or DPH, providing access to and transfer of video footage from the Establishment’s video surveillance system to the Police Department when the Police Department so requests (which request may be made when the Police Department has a reason to believe that such footage may be of assistance in an ongoing investigation related or unrelated to the operations of the Establishment), a requirement to connect an alarm system to a third-party monitoring system and to notify the Town’s Chief of Police about said third-party monitoring system, and any other notifications and security-related measures as may be required by the Police Department and/or the Select Board.

x. The Company shall secure every entrance to the Establishment’s building so that access to areas containing marijuana and marijuana products is restricted to Company employees and others permitted by the Establishment to access the area and to agents of the CCC or state and local law enforcement officers and emergency personnel.

y. The Company shall secure its inventory and equipment during and after the Establishment’s operating hours to deter and prevent theft of marijuana, marijuana products and marijuana accessories.

z. The Company shall file an emergency response plan concerning the Establishment with the Town’s Fire, Police and Health Departments and share with these Departments its security plan and procedures and any updates to them in the event they are modified.
aa. The Establishment’s operations shall comply with any Transportation Demand Management Plan required by the Select Board or its designee that has been approved by the Director of Transportation and Engineering and the Assistant Director for Regulatory Planning, which may include, but is not limited to, as they shall determine in their sole discretion:

i.) the commitment to find off-site private parking for any employees driving to this site;

ii.) sheltered bicycle parking;

iii.) a specific minimum percentage of MBTA subsidy for employees, and performance monitoring and submission of records of any required remedial actions, with traffic studies to be conducted approximately 3 months and 15 months after commencement of operations under the CCC’s initial Marijuana Retailer license or the initial Select Board license (the latter, if applicable), whichever is the later issued.

iv.) a provision stating that if performance goals are not met, additional mitigation measures shall be implemented subject to the review and approval of the Director of Transportation and Engineering and the Assistant Director of Regulatory Planning.

The definition of the term “peak periods” referenced in the Transportation Demand Management Plan is subject to approval by the Commissioner of Public Works or designee.

bb. The Company shall consent to unannounced, unscheduled, periodic inspections of the Premises and vehicles within the Town by the Select Board and/or agents of the Select Board from the Building, Health, Police and Fire Departments (which, when conducted by the Police Department, shall be by a sworn police officer holding the rank of Sergeant or higher) on week-days during normal business hours to determine the Company’s compliance with the requirements of applicable state and local laws, regulations, codes, license and permit conditions, and this Agreement. In addition, routine inspections may be made on week-days during regular Town business hours by authorized inspeclional departments to determine compliance with the foregoing. Inspections by the authorized inspeclional departments may be made at other times to investigate complaints or suspected non-compliance issues. Inspections may include all areas occupied, used or controlled by the Establishment within the Town. Facilities requiring re-inspection are subject to applicable re-inspection fees. Inspections shall be conducted in conformity with applicable federal, state and local law.

cc. The Company shall cooperate and comply with requests for information made by the Select Board and its agents from the Planning, Building, Health, Police, Fire and Public Works Departments.

dd. Within fourteen (14) days of submission to the CCC, the Company shall provide to
the Select Board a copy of its application(s) to the CCC for an original or renewed CCC license. The Company further agrees to provide the Select Board with a copy of any application for a CCC license pertaining to the Establishment upon the Town’s request prior to the Opening Date. Copies of such applications may be disclosed in accordance with the provisions of the Public Records law. The Company may identify information within such documents that it believes is non-public record information, for the Town’s consideration.

ej. Marijuana and marijuana products, including edible marijuana products, are subject to random inspection and testing by the Town, and/or verification by the Town that inspection and/or testing has occurred.

ff. The Company must apply for and obtain the approval of the Select Board or its designee prior to making any structural change to the Premises.

gg. Within twenty-four (24) hours of receipt of the Company’s notice of it, the Company shall file with the Town Administrator, Director of Public Health and Building Commissioner any summary cease and desist order, cease and desist order, quarantine order, suspension order, revocation order, order limiting sales, deficiency statement, plan of correction, notice of a hearing, notice of any other administrative process or legal action, denial of a license, denial of a renewal of a license, or final action issued by a state or federal agency (including, but not limited to, the CCC and DPH).

hh. Within fourteen (14) days of it, the Company must inform the Town Administrator of any action by the State in the nature of any of the following relative to any Establishment Agent, or any supervisor of an Establishment Agent: an Establishment Agent registration is revoked; a renewal application for an Establishment Agent registration is denied; or, an Establishment Agent is subject to any pending administrative process or legal action.

ii. The Company shall promptly provide prior written notice to the Town Administrator of its intent to cease accepting payment by credit card.

jj. The Company shall provide the Town Administrator, Chief of Police, Fire Chief, Health Director, Planning Director, and Building Commissioner with an up-to-date list of the names, 24-hour telephone numbers and email addresses of all Executive Team Members, Managers, Alternate Managers, and key holders of the Premises to whom the Town may communicate if necessary during business hours and after business hours.

kk. Executive Management Team Members, Managers and Alternate Managers shall respond within twenty-four (24) hours of contact by a Town staff member. The Company agrees to appear before the Select Board and/or to communicate with Town staff if requested to do so.

ll. The Company shall maintain on the Premises in a readily-accessible location one or more binders containing (a) all operating policies and procedures required by 935
CMR 500 and 105 CMR 725.105, (b) an up-to-date list of all products sold by the Company through the Establishment’s operations, including the strains and forms in which marijuana and marijuana products are sold, along with prices charged, (c) the Company’s entire application for an original CCC Marijuana Retailer license in connection with the Establishment and any application for a Town Select Board license, in addition to renewal applications for such licenses; (d) a Town Health Department-approved pest control and a rubbish and litter plan, (e) a copy of the Registration Cards for the Establishment’s Agents staffing, or supervising staff, of the Establishment, and (f) proof of a general liability insurance policy or escrow account as required by 935 CMR 500 and/or 105 CMR 725, as applicable. Upon the request of the Select Board or its agent, the licensee shall make the binder(s) available for inspection.

If any of the foregoing Stipulations Pertaining to Operations (“Stipulations”) conflict with a State or local law or regulation, or with a condition imposed by a CCC Marijuana Retailer license, a Town Select Board license, or a Town Zoning Board of Appeals special permit, the State or local law or regulation or license or permit condition shall control.

5. Other Payments.

The Company anticipates that it will make purchases of water, and sewer from all local government agencies. Company will pay any and all fees associated with the local permitting of the Establishment. If the Town 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 sales taxes imposed by an act of the legislature of the Commonwealth of Massachusetts, 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.

6. Education and Prevention Programs.

For the year 2021 and for the balance of the term of this Agreement, the Company, in addition to any other payments specified herein, shall annually donate $25,000 per year to a non-profit entity approved by the Town for the purposes of drug abuse prevention/treatment/education and/or health and wellness programs to be conducted in the Town of Brookline (the “Annual Donations”). The Annual Donations made under this paragraph shall not be considered part of the Annual Payment to the Town and shall be used solely for charitable purposes.

7. Annual Filing.

The Company shall notify the Town when the Company commences sales at the Establishment and shall submit annual financial statements to the Town on or before [date], which shall include certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. Upon request, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as is required by the Commonwealth in order for the Company to obtain and maintain required State
licenses and permits for the Establishment's operations from the CCC.

The Company shall maintain its books, financial records and any other data related to its finances and operations in accordance with standard accounting practices and any applicable regulations and guidelines promulgated by the Commonwealth of Massachusetts. All records shall be retained for a period of at least seven (7) years.

8. **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 exemption from paying 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 Section 2 of this Agreement. Nothing in this section shall in anyway limit or prevent the Company from challenging the valuation of its property before the Board of Assessors or at the Appellate Tax Board.

All taxes and charges owed to the Town must be paid on a current basis. The Town may place a lien on the property of any person who has an outstanding balance due the Town from any fee, charge or tax, which balance is at least six (6) months past due.

9. **Community Support and Additional Obligations.**

To the extent permitted by law, the Company will make commercially reasonable efforts in a legal and non-discriminatory manner to recruit local businesses, suppliers, contractors, builders, vendors and employees in connection with the Establishment's construction, maintenance and operations.

10. **Support.**

The Town agrees to execute a certification of compliance with applicable local bylaws relating to the Company's application for a CCC Marijuana Retailer license, where such compliance has been properly demonstrated, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any Special Permit or other zoning application or a Select Board license application submitted by the Company, in any particular way other than by the Town's normal and regular course of conduct, subject to applicable statutes, regulations, rules, guidelines and procedures.

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, licenses and other approvals under applicable law, or to enforce applicable law. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits, licenses 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 the Establishment for violation of the terms of said permits, licenses and approvals or applicable law.

11. **Term and Termination.**

With the exception of Section 4(dd), which takes effect upon execution of this Agreement, this Agreement shall take effect and shall be deemed to replace the 2015 HCA on the day after Opening Date, subject to the contingencies noted herein. The 2015 HCA shall remain in effect through the Opening Date and thereafter shall terminate. This Agreement shall continue in effect for a period of five (5) years from the day after the Opening Date or until the permanent cessation of operations at the Establishment, whichever is earlier. At the conclusion of the term of this Agreement, the parties shall renegotiate a new Host Community Agreement in accordance with the current prevailing regulations and laws as such regulations and laws may be amended or replaced. In the event the Company no longer does business in the Town or in any way loses or has its license revoked by the Commonwealth, this Agreement shall become null and void; however, the Company will be responsible for the prorated portion of the Annual Payment due as under Section 2 above. The Town may terminate this Agreement at any time.

12. **Governing Law.**

This Agreement shall be governed in accordance with the laws of the Commonwealth of Massachusetts and venue for any dispute hereunder shall be in the courts of Norfolk County.

13. **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 duly authorized representatives of the Company and the Town, prior to the effective date of the amendment.

14. **Severability.**

If any term or condition of the Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

15. **Covenant Not to Sue/Indemnification**

The Company agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the enforceability and/or validity of this Agreement is challenged by the Company in any agency or court of competent jurisdiction, the Company shall indemnify, defend and hold the Town harmless and shall pay for all reasonable fees and costs, including attorneys’ fees and costs at a rate customary
for private municipal counsel work, incurred by the Town as the result.

The Company acknowledges that its operations pursuant to State licenses to sell medical and non-medical marijuana and marijuana products is as permitted under the laws and regulations of the Commonwealth of Massachusetts and that such activities are currently illegal under laws and regulations of the United States of America. The Company acknowledges that it may be subject to claims and actions by governmental entities and private individuals or entities related to the current inconsistency of its operations with federal law or otherwise.

The Company shall indemnify, defend and hold the Town harmless and shall pay for all reasonable fees and costs, including reasonable attorneys’ fees and costs, incurred by the Town in enforcing this Agreement.

16. **Successors/Assigns.**

This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. 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 any of the monies payable under this Agreement, except by and with the written consent of 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.

17. **Headings.**

The article, section, and 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.

18. **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.

19. **Signatures.**

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

20. **Entire Agreement.**

This Agreement constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

21. **Notices.**

Except as otherwise provided herein, any notices, consents, demands, request, approvals or
other communications required or permitted under this Agreement shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following addresses:

To the Town:  
Town Administrator, Town of Brookline  
333 Washington St., 6th Floor  
Brookline, MA 02445

To Company:  

22. Retention of Regulatory Authority.

By entering into this Agreement, the Town does not waive any enforcement rights or regulatory authority it currently holds over any business in Town.

23. 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 Town or the Company.

In witness whereof, the parties have hereafter set faith their hand as of the date first above written.

TOWN OF BROOKLINE,  

NEW ENGLAND TREATMENT ACCESS, INC., LLC,

______________________________  
Melvin A. Kleckner  
Town Administrator  

______________________________  
Executive Director
From: Metcalf, Judy
Sent: Thursday, June 28, 2018 11:32 AM
To: Flores-Marzan, Ruben <rflores-marzan@townofware.com>; rstarodoj@gmail.com
Cc: Beckley, Stuart <sbeckley@townofware.com>; Gramarosa, Gail <ggramarossa@townofware.com>; Coulombe, Thomas <TCoulombe@townofware.com>; David Wojcik (dwojcik@chwmlaw.com) <dwojcik@chwmlaw.com>; Marques, Anna AM. <amarques@townofware.com>; Wloch, Ed <ewloch@townofware.com>; Bell, Stephen <sbell@townofware.com>; Midura, Mary <mmidura@townofware.com>; Barlow, Betty <BBBarlow@townofware.com>; Bonnayer, Jeannine <jbonnayer@townofware.com>; Crevier, Shawn <Crsh@townofware.com>; Meehan, Tracy <TMeehan@townofware.com>; Jenkins, Nekr <njenkins@townofware.com>; Niedzwiecki, Charles <CNiedzwiecki@townofware.com>; DiLeo, Marlene A. (mdileo@ware.k12.ma.us) <mdileo@ware.k12.ma.us>; John Cacela <j cacela@townofware.com>; Zienowicz, John <jzienowicz@townofware.com>
Subject: Marijuana Community Host Agreement

Good Morning Stuart and All,

Below are my comments on an acceptable host agreement:

1.) Legal Document- We should not use as a starting point any agreement drafted by the proprietor. Rather we should use as a template the many examples written by Town Counsel or City Solicitors. Of course, our own counsel needs to review any draft and make any necessary changes.

2.) Financial - I will leave to others to comment on the local amount of tax charged on retail product (up to 3%), any product wholesaled in the future ( $ amount per pound), collection mechanism, revenue reports, PILOT if business is a non-profit, an initial impact fee to the community, etc.....

3.) Public Health- I believe strongly the host agreement should have provisions for the proprietor to be a responsible addition to the business base and civic-mindedness of Ware.
   a. Like any other community, we should require an annual $10,000 to $15000 donation to a Ware non-profit that provides substance abuse prevention and education or needed services to the disadvantaged- food pantry, weekend senior meals, fuel assistance.....whatever.
   b. The Board of Selectmen should have the ability to reject the proposed manager of the facility if they cannot pass a background check or fail to take appropriate training- just like the Board of Selectmen require of bar managers and Board of Health require of Tobacco retailers. (Certification and Training on identifying fake ids, asking for id, refusing intoxicated customers, etc....)
   c. An additional penalty locally if the retailer violates regulations regarding sales to minors or advertising tactics aimed at minors.
   d. Reimbursement (or an initial consultant payment) of legal fees for contract review and/or third party peer review of plans- for example the security measures or alarm system.....

Judy Metcalf, RS., CHO.
Director of Public Health
Quabbin Health District
413-967-9615
jmetcalf@townofware.com
From: Beckley, Stuart
Sent: Tuesday, July 03, 2018 6:35 PM
To: Midura, Mary
Subject: FW: Marijuana Community Host Agreement

From: Metcalf, Judy
Sent: Thursday, June 28, 2018 8:48 AM
To: rstarodoj@gmail.com
Cc: Beckley, Stuart <sbeckley@townofware.com>; Flores-Marzan, Ruben <rflores-marzan@townofware.com>; Gramarosa, Gail <ggramarossa@townofware.com>; Coulombe, Thomas <TCoulombe@townofware.com>; David Wojcik (dwojck@chwmlaw.com) <dwojck@chwmlaw.com>; Marques, Anna AM. <amarques@townofware.com>; Wloch, Ed <ewloch@townofware.com>; Bell, Stephen <sbell@townofware.com>; Midura, Mary <mmidura@townofware.com>; Barlow, Betty <BBarlow@townofware.com>; Bonnayer, Jeannine <jbonnayer@townofware.com>; Crevier, Shawn <Crsh@townofware.com>; Meehan, Tracy <TMeehan@townofware.com>; Jenkins, Nekr <njenkins@townofware.com>; Niedzwiecki, Charles <CNiedzwiecki@townofware.com>; Dileo, Marlene A. (mdileo@ware.k12.ma.us) <mdileo@ware.k12.ma.us>; John Cacela <jcacela@townofware.com>; Zienowicz, John <jzienowicz@townofware.com>
Subject: Re: Marijuana Community Host Agreement

Here is a copy of Lakeville's recent agreement.

Judy Metcalf, RS, CHO
Director of Public Health
Quabbin Health District
413 967-9615 or 413 323-0406

On Jun 27, 2018 2:03 PM, Richard Starodoj <rstarodoj@gmail.com> wrote:
Thanks, will review, Rick

On Jun 27, 2018, at 1:49 PM, Metcalf, Judy <JMetcalf@townofware.com> wrote:

Hello All,

I have a public document request into Lakeville MA for a copy of the host agreement their BoS signed last week. I'll share once I receive it. But here is an blurb from a news article:

The agreement negotiated by selectmen requires the corporation to pay the town a one-time $50,000 mitigation fee to offset the cost of administrative and legal expenses, and any public safety measures related to the licensing and supervision of dispensary, cultivation, and processing operations.

The CHA also calls for the company to pay a three percent local sales tax on all medical marijuana products sold at the Lakeville dispensary and a $15 per pound fee on wholesale sales to other vendors and product manufacturers. The company has also committed to making $10,000 in charitable contributions to community organizations each year.
Good Afternoon Stuart,

Before I comment on my specific concerns with the proposed document, I'm interested in the origins of the template you are using. It is unlike any other marijuana host agreement I've seen (Northampton, Amherst, Holyoke, Worcester).

Good morning,

The Town has been approached by a company wishing to open a retail recreational marijuana dispensary at 2 Vernon Street. As part of a multistep approval process, the Town is offered a host community agreement which would provide payment to the Town of up to 3% of gross sales to pay for the local impacts of marijuana. When the governor and Legislature straighten out the legislation, this 3% will be dedicated to response to the identified impacts. (Currently headed to the General Fund)
NATURE'S REMEDY OF MASSACHUSETTS, INC.

Host Community Agreement
Medical Marijuana Treatment Center
Lakeville, Massachusetts

This Host Community Benefit Agreement for a Medical Marijuana Treatment Center ("MMTC") MMTC, is entered into this 3rd day of June, 2018 by and between Nature's Remedy of Massachusetts, Inc. a Massachusetts for-profit corporation formed under MGL ch.180 et seq. with a principal office address of 109 State Street, Suite 404, Boston, Massachusetts 02109 ("OPERATOR") and the Town of Lakeville, a Massachusetts municipal corporation with a principal address of 346 Bedford Street, Lakeville, MA 02347, ("TOWN") (collectively, the "PARTIES").

WHEREAS, the OPERATOR wishes to locate a licensed MMTC engaged in cultivation, processing and dispensing of marijuana for medical use in the Town at 310 Kenneth Welch Drive, Lakeville, MA (the "Facility") in accordance with Chapter 369 of the Acts of 2012 and applicable regulations, as such state and regulations have and may be further amended by Chapter 55 of the Acts of 2017 (the "Act"), and such approvals as may be issued by the TOWN in accordance with its Zoning Bylaw and other applicable regulations, and those of the TOWN, as may be amended;

The obligations of OPERATOR and the TOWN recited herein are specifically contingent upon OPERATOR obtaining a Final Certificate of Registration for operation of a MMTC in the TOWN from the Massachusetts Department of Public Health ("DPH") and upon OPERATOR obtaining municipal approvals for construction and operation of the MMTC in the TOWN;

WHEREAS, OPERATOR has submitted applications to operate MMTCs in the Commonwealth of Massachusetts;

WHEREAS, OPERATOR wishes to locate an approximately 50,000 sq. ft. cultivation facility and a Medical dispensing MMTC in the TOWN at 310 Kenneth Welch Drive in accordance with regulations issued by the Massachusetts Department of Public Health ("DPH") and zoning ordinances and Board of Health regulations issued by the TOWN;

WHEREAS, OPERATOR has received a letter of support/non-opposition from the TOWN for the siting and operation of a MMTC in the TOWN;

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN in the event that OPERATOR obtains a Final Certificate of Registration to operate a MMTC in the TOWN and has received all state and local approvals;

WHEREAS the OPERATOR desires to be a responsible corporate citizen and contributing member of the business community of the TOWN, and in the event the contingencies noted below are met, intends to provide certain benefits to the TOWN over and above typical economic development benefits attributable with similar new manufacturing and retail concerns locating in the TOWN;
WHEREAS, the PARTIES intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), as established in the Act, applicable to the operation of the MMTC in the TOWN; and

NOW, THEREFORE, the OPERATOR anticipates that the TOWN will incur additional expenses and impacts upon the TOWN’s road system, law enforcement, fire protection services, inspectional services and permitting services, public health services, and potential additional unforeseen impacts upon the TOWN. Accordingly, in order to mitigate the financial impact upon the TOWN and use of Town resources, the OPERATOR agrees to make a donation or donations to the TOWN, in the amounts and under the terms provided herein. In consideration of the above, OPERATOR offers the TOWN and the TOWN accepts this Host Community Benefit Agreement in accordance with MGL Ch. 44 §53A:

1. In the event that OPERATOR obtains a Final Certificate of Registration and such other license and/or approval as may be required, for operation of the MMTC in the TOWN by the DPH, the Cannabis Control Commission (the “CCC”), or such other state licensing or monitoring authority, as the case may be, and receives any and all necessary and required permits and licenses issuable by the TOWN, which said permits and/or licenses allow OPERATOR to locate, occupy, and operate the MMTC in the TOWN, then OPERATOR agrees to pay the TOWN an Annual Community Impact Fee according to the following terms:

3% of Gross Revenue from OPERATOR’s sales to patients occurring at the Facility or sales resulting from deliveries originating from the dispensing Facility until the Termination Date of this Agreement, but not including OPERATOR’S sales occurring from other Facilities located outside of Lakeville or via wholesale sales. Each Annual Community Impact Fee Payment shall be paid on an annual basis, paid quarterly, commencing on the first day of the first full calendar quarter month which is at least 50 days after the first certificate of occupancy is issued for any part of the Facility. Each Annual Community Impact Fee Payment will continue to be paid quarterly thereafter during the operation of this Agreement. With regard to any year of operation for the MMTC which is not a full calendar year, the applicable Annual Community Impact Fee Payment shall be pro-rated accordingly.

The term “Gross Revenue” referenced above shall mean the total of all sales transactions involving the sale of medical marijuana, marijuana infused products, paraphernalia, and any other products.

2. The OPERATOR shall make the Annual Payments set forth in Paragraph 1, above, to the Town of Lakeville. The PARTIES understand and acknowledge that the TOWN is under no obligation to use the payments described in Paragraph 1 above in any particular manner. The Treasurer of the TOWN shall hold the Annual Payments in a separate fund, to be expended by the Board of Selectmen without further appropriation pursuant to G.L. c.44, §53A, or otherwise in trust, for the purposes of addressing the potential health, safety, and other effects or impacts of the MMTC on the TOWN and on municipal programs, services, personnel, and facilities. While the purpose of this payment is to assist the TOWN in addressing any public health, safety, and other effects or impacts the MMTC may have on the Town and on municipal programs, services,
personnel, and facilities, the TOWN may expend the Annual Payments at its sole and absolute discretion, as determined by the Board of Selectmen. Notwithstanding the Annual Payments, nothing shall prevent the OPERATOR from making additional donations from time to time to causes that will support the TOWN, including but not limited to local drug abuse prevention/treatment/education programs.

3. In addition to the Annual Community Impact Fee, the OPERATOR shall additionally pay an Annual Community Benefit Payment to the TOWN in accordance with the following:

   $15.00 per pound of Medical Marijuana produced at the Facility and either sold at locations outside of Lakeville either by the OPERATOR or via a wholesale sale or used in the production of other marijuana products either sold at locations outside of Lakeville either by the OPERATOR or via a wholesale sale, (the “MMTC Production Payment”) as a Community Benefit Fee.

   The Annual Community Benefit Payment shall be paid on an annual basis, paid quarterly, commencing on the first day of the first full calendar quarter month after the certificate of occupancy is issued for any part of the Facility.

   In no event shall the Annual Community Benefit Payments ever be decreased.

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

4. Additional Costs, Payments and Reimbursements

   The OPERATOR shall pay the TOWN a one-time payment of $50,000.00. Said payment is due three months after the date of the first sale at the Facility. The parties hereby recognize and agree that this one-time payment to be paid by the OPERATOR shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

   Permit and Connection Fees: The OPERATOR hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the TOWN’S 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 TOWN, provided that such fees are at the same levels as those charged to other similar businesses.

   Facility Consulting Fees and Costs: The OPERATOR shall reimburse the TOWN for any and all reasonable consulting costs and fees related to any land use applications concerning the Facility, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard municipal rates charged by the above-referenced consultants in relation to the Facility. Such fees include only fees charged by third-party consultants and will be consistent with fees charged other businesses locating to Town. OPERATOR will reimburse TOWN for fees related to the negotiation of this Agreement, provided that they do not exceed $2,500.
Other Costs: The OPERATOR shall reimburse the TOWN for the actual costs incurred by the TOWN to third parties in connection with holding public meetings and forums substantially devoted to discussing the Facility 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.

Late Payment Penalty: The OPERATOR acknowledges that time is of the essence with respect to their timely payment of all funds required under this Agreement. In the event that any such payments are not fully made with ten (10) days following written notice of same, the OPERATOR shall be required to pay the TOWN a late payment penalty equal to five percent (5%) of such required payments.

5. Annual Charitable Contributions

The OPERATOR, in addition to any funds specified herein, shall annually contribute to public local charities in the TOWN an amount no less than $10,000.00, said charities to be determined by the OPERATOR and a Municipal Subcommittee appointed by the Board of Selectmen in its reasonable discretion.

6. Annual Reporting for Host Community Impact Fees and Benefit Payments: The OPERATOR shall submit annual financial statements to the TOWN within 30 days after the payment of its Annual Community Impact Fee with a certification of its annual sales. The OPERATOR 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 DPH/CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the TOWN, the OPERATOR shall provide the TOWN 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 DPH/CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility.

During the term of this Agreement and for three years following the termination of this Agreement the OPERATOR shall agree, upon request of the TOWN to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the OPERATOR. The Independent Financial Auditor shall review the OPERATOR’s financial records for purposes of determining that the Annual Payments 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 TOWN 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 OPERATOR’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 OPERATOR’s normal business activities.
7. At all times during the term of this Agreement, real property, owned or operated by
OPERATOR shall be treated as taxable, and all applicable real estate and property taxes for that
property shall be paid either directly by OPERATOR or by its landlord. OPERATOR shall not
challenge the taxability of such property and shall not submit an application for any statutory
exemption from such taxes.

8. Notwithstanding any other provision herein: (a) if real property owned or operated by
OPERATOR is determined to be exempt for taxation or partially exempt, or (b) 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 full, fair market value, then OPERATOR or Landlord 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 full assessed, fair market value
and at the otherwise applicable tax rate, if there had been no abatement or exemption. The
payment described in this Paragraph shall be in addition to the payments made by OPERATOR
under Paragraph 1 of this Agreement.

9. In the event that OPERATOR becomes eligible for status as a charitable organization and
a related decrease or elimination of real property taxes, and tax revenue from OPERATOR's
cultivation and processing facility located in the TOWN is reduced or eliminated, OPERATOR
or Landlord will make the assessed, fair market value tax payment directly to the TOWN as an
additional payment under this Agreement.

10. OPERATOR anticipates that it will make annual purchases of water, from all local
government agencies. OPERATOR will pay any and all fees associated with the local permitting
of the MMTC.

11. To the extent such practice and its implementation are consistent with federal, state, and
municipal laws and regulations, OPERATOR will make every effort in a legal and non-
discriminatory manner to give priority to local business, suppliers, contractors, builders and
vendors in the provision of goods and services called for in the construction, maintenance and
continued operation of the MMTC.

12. Approval of Manager - If requested by the TOWN, the OPERATOR shall provide to the
TOWN, for review and approval, the name and relevant information, including but not limited to
the information set forth in 105 CMR 725.030, or such other state regulations, as the case may
be, of the person proposed to act as on-site manager of the MMTC. The submittal shall include
authorization and all fees necessary to perform a criminal history (CORI) check or similar
background check. The TOWN 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.
13. OPERATOR shall provide staff to participate in 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.

14. OPERATOR shall coordinate with the Lakeville Police Department in the development and implementation of required security measures, under 105 CMR 725.110, CCC, or such other state licensing or monitoring authority, as the case may be and otherwise, including determining the number and placement of exterior security cameras. OPERATOR will maintain a cooperative relationship with the Lakeville Police Department, including but not limited to, periodic meetings to review operational concerns and communication to Lakeville Police Department of any suspicious activities on the site. In addition, OPERATOR shall at all times comply with all applicable laws and regulations regarding the operations of the MMTC and the security thereof. Such compliance shall include, but will not be limited to: after-hours contact information and access to surveillance operations; and requiring dispensary agents to produce their Program ID Card to law enforcement upon request.

OPERATOR agrees to cooperate with the Lakeville 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 Lakeville Police Department of any suspicious activities at or in the immediate vicinity of the MMTC, and with regard to any anti-diversion procedures.

To the extent requested by the Lakeville Police Department, the OPERATOR shall work with the Lakeville 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 MMTC. Such plan shall include, but is not limited to, (i) training MMTC employees to be aware of, observe, and report any unusual behavior in authorized visitors or other MMTC employees that may indicate the potential for diversion; and (ii) utilizing seed-to-sale tracking software to closely track all inventory at the MMTC.

15. This Agreement applies solely to the operations of the OPERATOR in accordance with a DPH issued license for an MMTC. In the event it becomes permissible under Massachusetts law for the OPERATOR to cultivate, sell or distribute marijuana at the MMTC for purposes other than those initially authorized by the DPH license, i.e. “Recreational Use”, the OPERATOR agrees to do so only after receiving written approval from the Board of Selectmen and signing a Host Community Agreement specific to Recreational Use with the Board of Selectmen prior to engaging in any such sale or distribution. OPERATOR undertakes this obligation voluntarily and after consultation with counsel, and acknowledges that it will not seek to circumvent this contractual obligation even if no law or regulation would otherwise require OPERATOR to receive such approvals. Therefore, the PARTIES acknowledge that this provision shall remain enforceable even if no local approvals are required by law, and notwithstanding any provision of law or regulation that calls into question the enforceability of this provision. OPERATOR agrees to enter into a new Host Community Agreement should the operation change from a MMTC.
16. Except as specifically provided for herein, this Agreement does not affect, limit or
control the authority of the TOWN its boards, commissions, or department to carry out their
respective powers and duties to decide upon and to issue, or deny applicable permits and other
approvals under the statues and regulations of the Commonwealth, the general and zoning
bylaws of the TOWN or applicable regulations of those boards, commissions, and a department
or to enforce said statutes, bylaws, and regulations. Except as specifically provided for herein,
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 Facility to operate in the TOWN or to refrain
from enforcement action for violation of the terms of said permits, approvals or statutes, bylaws
and regulations. Except as specifically provided for herein, the Facility remains subject to all
applicable general and special state and local laws, bylaws, building, fire and other codes, rules
and regulations, and the Agreement set forth herein shall not relieve the OPERATOR of any
obligations they might have thereunder. Nothing in this Agreement requires the TOWN to
refrain from enforcement action against the OPERATOR and/or its MMTC for violation of the
terms of said permits and approvals or said statutes, Bylaws, and regulations.

17. The OPERATOR agrees to the contingencies in this Agreement for each year this
Agreement is in effect, provided, however, that if the OPERATOR fails to secure any such other
license and/or approval as may be required, or any of required municipal approvals, the
OPERATOR shall reimburse the TOWN for its legal fees associated with the negotiation of this
Agreement.

18. This Agreement is binding upon the PARTIES hereto, their successors, assigns and legal
representatives. The OPERATOR shall not assign, sublet, or otherwise transfer this Agreement,
in whole or in part, without the prior written consent of the TOWN, and shall not assign any of
the Funds/moneys payable under the Agreement, except by and with the written consent of the
TOWN. Neither the TOWN nor the OPERATOR shall assign or transfer any interest in the
Agreement without the written consent of the other.

19. This Agreement shall take effect on the day above written, subject to the contingencies
noted herein. This Agreement shall continue in effect for so long as the OPERATOR operates
the MMTC in TOWN as contemplated herein, or five (5) years from the date of this Agreement,
whichever is later. At the conclusion of the term, the PARTIES shall renegotiate a new Host
Community Agreement in accordance with the Act. Further, this Agreement shall terminate at
the time that any of the following occurs: the TOWN notifies OPERATOR of the TOWN's
termination of this Agreement for CAUSE (to be defined); or OPERATOR ceases to operate a
MMTC in the TOWN. CAUSE shall be defined as OPERATOR willfully or negligently
violating any laws and/or regulations of the TOWN or Commonwealth with respect to the
operation of a MMTC, and such violation remains uncured for ninety (90) days; or if
OPERATOR fails to make payments to the TOWN as required under this Agreement, and such
failure remains uncured for ninety (90) days.

20. Any and all notices, consents, demands, request, approvals or other communications
required or permitted under this Agreement shall be in writing and delivered postage prepaid
mail, return receipt requested; by hand; by registered or certified mail; or by other reputable
delivery services, to the PARTIES at the addresses set forth on the first page of this Agreement or furnished from time to time in writing hereafter by one party to the other party. Any such notices or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the USPS or, if sent by private overnight or other delivery service, when deposited with such delivery service.

21. If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable, then the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both of the PARTIES would be substantially or materially prejudiced. Further, the OPERATOR agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the OPERATOR in a court of competent jurisdiction, the OPERATOR shall pay for all reasonable fees and costs incurred by the TOWN in enforcing this Agreement.

22. This Agreement, including all documents incorporated therein by reference, constitutes the entire integrated agreement between the PARTIES with respect to the matters described. This Agreement supersedes all prior agreements, negotiation and representations, either written or oral and it shall not be modified or amended except by a written document executed by the PARTIES hereto. Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

23. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either TOWN or the OPERATOR.

[Remainder of page left intentionally blank]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF LAKEVILLE
BOARD OF SELECTMEN

Aaron Burke, Chairman

John Powderly

Miriam Hollenbeck

NATURE'S REMEDY OF
MASSACHUSETTS, INC.

Robert Carr, Chief Executive
Duly Authorized
From: Beckley, Stuart  
Sent: Tuesday, July 03, 2018 6:36 PM  
To: Midura, Mary  
Subject: FW: Marijuana Community Host Agreement

From: Bonnayer, Jeannine  
Sent: Monday, July 02, 2018 8:04 AM  
To: Beckley, Stuart <sbeckley@townofware.com>  
Subject: Re: Marijuana Community Host Agreement

Mr. Beckley,

I would first like to thank you for including me on this email as I am a stakeholder for both the town’s Police Department, as well as the school district. I do not see, after reading the attached proposal, a highly positive impact for our community. The cost for Police security of the property, as well as any enforcement regarding underage sales or improper sales of legally purchased merchandise will easily exceed the proposed 3% profit to the town. It will also have a costly impact on the schools budget with regard to educational materials and lectures regarding the negative impact on the use of marijuana for adolescents.

I agree with many of the points addressed by Judy Metcalf, however I recommend we tread lightly with the number of arrests and investigations conducted this year for narcotic sales and delivery in town.

I hope to keep the dialog open for this topic, Sir.

Thank you,  
Jeannine

From: Beckley, Stuart  
Sent: Wednesday, June 27, 2018 8:38:20 AM  
To: Coulombe, Thomas; Wloch, Ed; Crevier, Shawn; Jenkins, Nekr; John Cacela; Zienowicz, John; Niedziecki, Charles; Metcalf, Judy; Barlow, Betty; Bell, Stephen; Meehan, Tracy; Flores-Marzan, Ruben; Gramarosa, Gail; DiLeo, Marlene A. (mdileo@ware.k12.ma.us); Richard Starodoj; Marques, Anna AM.; Bonnayer, Jeannine  
Cc: Midura, Mary; David Wojcik (dwojck@chwmlaw.com)  
Subject: Marijuana Community Host Agreement

Good morning,

The Town has been approached by a company wishing to open a retail recreational marijuana dispensary at 2 Vernon Street. As part of a multistep approval process, the Town is offered a host community agreement which would provide payment to the Town of up to 3% of gross sales to pay for the local impacts of marijuana. When the governor and Legislature straighten out the legislation, this 3% will be dedicated to response to the identified impacts. (currently headed to the General Fund)

A proposed draft agreement is attached.
Would you please consider what negative impacts this location may have along with possible costs to your department? For example, the police department may have extra patrols or inspections of the site and this would cost increased payroll or overtime. Or there may be a need for additional public or youth educational materials?

Please report your thoughts on impacts to me. I will seek information on what other Towns have listed. The Selectmen will begin their review of the Agreement on July 10.

Thank you,

Stuart
From: Beckley, Stuart
Sent: Tuesday, July 03, 2018 6:35 PM
To: Midura, Mary
Subject: FW: Marijuana Community Host Agreement

From: DiLeo, Marlene A. [mailto:mdileo@ware.k12.ma.us]
Sent: Wednesday, June 27, 2018 3:04 PM
To: Beckley, Stuart <sbeckley@townofware.com>
Subject: RE: Marijuana Community Host Agreement

Stuart,
The district has a number of concerns in regards to having a marijuana dispensary in town. Here are a number of concerns:

- Knowing that tobacco and alcohol are regulated products inevitably it finds it way into the hands of young individuals so I am concern that the same will occur with marijuana
- Looking at the increased use of vaping of jr/sr high school students as its use continues to rise I am concerned that with the availability of a dispensary in town will only acerbate use of marijuana of our youth
- Another risk factor of marijuana use for youth is that brain development may be effected as total brain development does not occur until approximately 25 years of age
- Regular use of marijuana can cause individuals to have a hard time learning & problems remembering -- Who knows what cost this will create for the learning community?

If this were to occur I would hope the town would provide educational programming and messaging in addressing our youth and families to the risk of what marijuana use could cause. If you need additional information let me know as I feel this sends the wrong message to our students especially the ones who are living with drug addiction within their homes already.

Dr. DiLeo

From: Beckley, Stuart <sbeckley@townofware.com>
Sent: Wednesday, June 27, 2018 8:38 AM
To: Coulombe, Thomas <TCoulombe@townofware.com>; Wloch, Ed <ewloch@townofware.com>; Crevier, Shawn <CrsH@townofware.com>; Jenkins, Nekr <njenkins@townofware.com>; John Cacela <jcacela@townofware.com>; Zienowicz, John <jzienowicz@townofware.com>; Niedzwiecki, Charles <CNiedzwiecki@townofware.com>; Metcalf, Judy <JMetcalf@townofware.com>; Barlow, Betty <BBarlow@townofware.com>; Bell, Stephen <sbell@townofware.com>; Meehan, Tracy <TMeehan@townofware.com>; Flores-Marzan, Ruben <rflores-marzan@townofware.com>; Gramarosa, Gail <gramarosa@townofware.com>; DiLeo, Marlene A. <mdileo@ware.k12.ma.us>; Richard Starodoj <rstarodoj@gmail.com>; Marques, Anna AM. <amarques@townofware.com>; Bonnayer, Jeannine <ibonnayer@townofware.com>
Cc: Midura, Mary <mmidura@townofware.com>; David Wojcik (dwojcik@chwmlaw.com) <dwojcik@chwmlaw.com>
Subject: Marijuana Community Host Agreement

Good morning,

The Town has been approached by a company wishing to open a retail recreational marijuana dispensary at 2 Vernon Street. As part of a multistep approval process, the Town is offered a host community agreement which would provide
payment to the Town of up to 3% of gross sales to pay for the local impacts of marijuana. When the governor and Legislature straighten out the legislation, this 3% will be dedicated to response to the identified impacts. (currently headed to the General Fund)

A proposed draft agreement is attached.

Would you please consider what negative impacts this location may have along with possible costs to your department? For example, the police department may have extra patrols or inspections of the site and this would cost increased payroll or overtime. Or there may be a need for addition public or youth educational materials?

Please report your thoughts on impacts to me. I will seek information on what other Towns have listed. The Selectmen will begin their review of the Agreement on July 10.

Thank you,

Stuart
Midura, Mary

From: Beckley, Stuart
Sent: Tuesday, July 03, 2018 6:36 PM
To: Midura, Mary
Subject: FW: RECREATIONAL marijuana HCA's
Attachments: Community Host Agreements.docx

From: David Wojcik [mailto:dwojcik@chwmlaw.com]
Sent: Thursday, June 28, 2018 2:42 PM
To: Beckley, Stuart <sbeckley@townofware.com>; Coulombe, Thomas <TCoulombe@townofware.com>; Wloch, Ed <ewloch@townofware.com>; Crevier, Shawn <CrSh@townofware.com>; Jenkins, Nekr <njenkins@townofware.com>; John Cacela <jcacela@townofware.com>; Zienowicz, John <jzienowicz@townofware.com>; Niedziwecki, Charles <CNiedziwecki@townofware.com>; Metcalf, Judy <JMetcalf@townofware.com>; Barlow, Betty <BBarlow@townofware.com>; Bell, Stephen <sbell@townofware.com>; Meehan, Tracy <TMeehan@townofware.com>; Flores-Martzan, Ruben <rflores-marzan@townofware.com>; Gramarosa, Gail <ggramarossa@townofware.com>; Dileo, Marlene A. (mdileo@ware.k12.ma.us) <mdileo@ware.k12.ma.us>; Richard Starodoj <rstarodoj@gmail.com>; Marques, Anna AM. <amarques@townofware.com>; Bonnayer, Jeannine <jbonnayer@townofware.com>; Midura, Mary <mmidura@townofware.com>
Subject: FW: RECREATIONAL marijuana HCA's

Looks like the proposed draft host agreement evolved from the attached form. Once the town decides what it wants to do I agree with Judy that we work off agreements already in use. I have some HCA's from other municipalities and will work off of those and the ones Judy has obtained and any other HCA's we locate to cut and paste.

David A. Wojcik
Christopher, Hays, Wojcik & Mavricos, LLP
446 Main Street, 8th Floor
Worcester, MA 01608
Tel: 508-792-2800 x227
Fax: 508-792-6224
dwojcik@chwmlaw.com

From: massmunilaw-request@socialaw.com [mailto:massmunilaw-request@socialaw.com] On Behalf Of Alan Seewald
Sent: Tuesday, March 06, 2018 9:56 AM
To: Patty Correa; massmunilaw@socialaw.com
Subject: RE: RECREATIONAL marijuana HCA's

All –

The attached is from Northampton's local marijuana law firm EvansCutler. It's on their website (https://www.evanscutler.com), and I'm sharing with their permission. Comments appreciated.

Alan

Alan Seewald
Hi all – I know that Jim Lampke put out a query on the list serve not too long ago asking for any templates of RECREATIONAL marijuana host community agreements and came up empty-handed. I thought I would put out a query again in case any of your communities have gotten to this task since then.

Thank you!

Patty

Patricia Correa
First Assistant Town Counsel
Town of Brookline
333 Washington St., 6th Floor
Brookline, MA 02445
Tel: (617) 730-2190
Fax: (617) 264-6463

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Thank You for being a part of the MMLA ListServ.

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Thank You for being a part of the MMLA ListServ.
I. Community Host Agreements

A. Enabling Legislation & Authority

In 2016 the Commonwealth’s voters enacted Question 4 and Mass. G.L. c. 94G (St. 2016, c. 334) – legalizing the use of cannabis by adults in Massachusetts – as amended by the state legislature in 2016 (session law c. 351), and 2017 (session law c. 55) (the “new law”). Pursuant to the new law, adults (over 21) in the Commonwealth may possess marijuana, consume it in private or state-licensed premises, and cultivate it for personal use. The new law also authorizes adults in the Commonwealth to purchase cannabis from state-licensed retailers, and enables adults to engage in state-licensed cannabis commerce, including cultivation, manufacturing (extracts and marijuana-infused product production), transportation between licensees, and retail sales (said licensed operations identified under the new law as “marijuana establishments”).

G.L. c. 94G, sec. 1, defines a “host community” as “a municipality in which a marijuana establishment is located or in which an applicant has proposed locating a marijuana establishment;” sec. 1 also defines a “marijuana establishment” as “a marijuana cultivator, independent testing laboratory, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business;” sec. 3(d) of c. 94G states:

A marijuana establishment seeking to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment located within the host community which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment. An agreement between a marijuana establishment and a host community may include a community impact fee for the host community; provided, however, that the community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment and shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or be effective for longer than 5 years. Any cost to a city or town imposed by the operation of a marijuana establishment shall be documented and considered a public record as defined by clause Twenty-sixth of section 7 of chapter 4.13

[References to medical marijuana facilities omitted.]

The new law’s authorization of local control over marijuana establishments limits that authority, by banning a municipality from enacting “safeguards on the operation of marijuana establishments” that “are not unreasonably impracticable” (G.L. c. 94G, sec. 3[a]); nor may a municipality “prohibit the transportation of marijuana or marijuana products” nor make such

---

13 Definition of “public records.”
transportation “unreasonably impracticable” (G.L. c. 94G, sec. 3[c]). “Unreasonably impracticable” is defined by sec. 1 of c. 94G as “measures necessary to comply with the regulations, ordinances or by-laws adopted pursuant to this chapter subject licensees to unreasonable risk or require such a high investment of risk, money, time or any other resource or asset that a reasonably prudent businessperson would not operate a marijuana establishment.”

Nor may a municipality exact a “community impact fee” in excess of 3% of gross sales. The amount of such a fee is limited to no more than an amount “reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment ... .”

The suggested form of Community Host Agreement, below, follows Section 3(d) by stipulating responsibilities, identifying prospective costs to the municipality, and assessing a community impact fee reasonably related thereto. The agreement form is also aimed at fostering a long-term, mutually beneficial relationship between the establishment and the municipality.
B. Form of Community Host Agreement

COMMUNITY HOST AGREEMENT
Dated__________, 2018

Parties

The Town of Appleton, Massachusetts, by and through its Selectboard, having a principal office at Town Hall,_______________Street, Appleton, Massachusetts [zip] (hereinafter “Municipality”); and

Millennial Farms, LLC, a Massachusetts limited liability company having a principal office at _________________, Massachusetts 12345 (hereinafter “Applicant”).

Background

- In 2016 Massachusetts voters legalized marijuana, authorizing the cultivation, processing, product manufacture and retail sales of marijuana and marijuana products to adults by marijuana establishments.

- Section 3(d) of the new law, MGL Chapter 94G, requires a marijuana establishment to have a community host agreement with the municipality within which it intends to operate, “setting forth,” in the words of the statute,

  the conditions to have a marijuana establishment located within the host community which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment. An agreement between a marijuana establishment and a host community may include a community impact fee for the host community; provided, however, that the community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment and shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or be effective for longer than 5 years. Any cost to a city or town imposed by
the operation of a marijuana establishment shall be documented and
considered a public record as defined by clause Twenty-sixth of section 7
of chapter 4.\textsuperscript{14} [References to medical marijuana facilities omitted.]

Applicant proposes to operate a CCC-licensed marijuana establishment in the nature of a
____________________ to be located at______________________, and has gained or expects to gain
approval therefor under local zoning; and

The parties intend hereby to stipulate conditions and responsibilities between the Municipality and the
Applicant, not covered by local zoning approval processes or CCC-licensing requirements, in accordance
with said Section 3(d) of Chapter 94G, quoted above.

WHEREFORE, in consideration of mutual covenants, the parties stipulate and agree as follows:

Terms


(a) Negative impact. Municipality reasonably expects to experience the following negative impact
arising from the operation of Applicant’s marijuana establishment, and the following costs, imposed by
the operation of the marijuana establishment.\textsuperscript{15}

<table>
<thead>
<tr>
<th>Anticipated Negative Impact</th>
<th>Anticipated Costs to Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Describe]</td>
<td>[$ Itemize]</td>
</tr>
</tbody>
</table>

(b) Mitigation. In mitigation of such costs to the Municipality, Applicant shall pay to
Municipality, quarterly over____ years, ____% of its gross from sales of marijuana and marijuana
products, on or before the 15\textsuperscript{th} day following the close of each quarter.

(c) Positive impact. Applicant reasonably expects that its success will bring benefits to the town,
by attracting more visitors and patrons in local businesses, help revive certain neighborhoods, and bring
new revenue and acclaim to the municipality. The parties stipulate that any costs arising out of such
positive community impact cannot be ascribed to Applicant as a negative impact under section (a) above.

\textsuperscript{14} Definition of “public records.”

\textsuperscript{15} This assumes that the establishment is operating in compliance with CCC regulations and local zoning rules and
conditions ... for breach of which ample penalties apply.
2. Stipulation of Responsibilities.

(a) Applicant’s Responsibilities. The Applicant shall:

(1) Maintain its premises in a neat and tidy condition and conduct its operations in a businesslike and professional manner, with due regard for the interests of this community.

(2) If contacted by a representative of the Municipality, the Applicant shall respond immediately and substantively;

(3) Maintain its marijuana establishment license in good standing with the CCC and comply with all applicable CCC regulations;

(4) Comply with any and all conditions imposed by local zoning authorities;

(5) Take strong precaution to prevent sales of marijuana to under-21s, including, but not limited to [insert site-specific measures].

(6) Make reasonable efforts to first hire local vendors and workers, and otherwise to engage the establishment in the local economic mainstream.

(b) Municipality’s Responsibilities. The municipality shall:

(1) Provide an appropriate forum whereby the views of citizens about the Applicant’s operations can be aired and Applicant have the opportunity to address complaints or suggestions that arise concerning Applicant’s operations.

(2) Accommodate the installation and use of state of the art security and fire protection/alert systems;

(3) Recognize Applicant as having all the rights, duties and responsibilities of, and deserving of equal treatment with, other business establishments in town.

(4) Annually, on the anniversary hereof, review the determination of community impact described in Section 1 above and adjust the community impact fee up or down to fairly compensate the Municipality for all such costs, but not in excess thereof.

(5) If reasonably requested by Applicant, provide a letter in the nature of an estoppel certificate, stating that the municipality is aware of no outstanding violations of local law or insufficiently addressed complaints.

3. Other. This agreement may not be amended or assigned without the parties’ written consent. Nothing herein shall be construed to limit the lawful authority of Municipal agencies to carry out their duties under state and local law.

Signed at Appleton, Massachusetts, this day and year respectively below written.
Municipality
Town of Appleton, Massachusetts
By its Selectboard,

Applicant
Millennial Farms, LLC

By: __________________________
Its _________________________
Guidance for Municipalities

The following guidance is provided to assist applicants seeking to be licensed as a Marijuana Establishment under 935 CMR 500.000, which establishes the regulatory requirements for adult use marijuana in the Commonwealth. This guidance is not legal advice. If you have questions regarding the legal requirements for licensure in the Commonwealth, you are encouraged to consult an attorney.

Notice: This Guidance document only pertains to marijuana for adult use and does not provide guidance on the medical use of marijuana program regulated by the Department of Public Health or the hemp program to be regulated by the Massachusetts Department of Agricultural Resources. The Medical Use of Marijuana Program will be transferring to the Cannabis Control Commission on or before December 31, 2018.

Timeline for Implementation of Marijuana for Adult Use

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 8, 2016</td>
<td>Question 4 Passed</td>
</tr>
<tr>
<td>July 28, 2017</td>
<td>Governor Signs Chapter 55 of the Acts of 2017</td>
</tr>
<tr>
<td>August 1, 2017</td>
<td>Appointment of Cannabis Advisory Board</td>
</tr>
<tr>
<td>September 1, 2017</td>
<td>Appointment of Cannabis Control Commission</td>
</tr>
<tr>
<td>December 22, 2017</td>
<td>Announcement of Draft Regulations</td>
</tr>
<tr>
<td>February 5-15, 2018</td>
<td>Public Hearings</td>
</tr>
<tr>
<td>February 15, 2018</td>
<td>End of Public Comment Period</td>
</tr>
<tr>
<td>March 7, 2018</td>
<td>Final Regulations Approved</td>
</tr>
<tr>
<td>March 23, 2018</td>
<td>Final Regulations Published in the Massachusetts Register</td>
</tr>
<tr>
<td>April 2, 2018</td>
<td>Priority Certification Begins</td>
</tr>
<tr>
<td>April 17, 2018</td>
<td>Begin Accepting Priority Applications</td>
</tr>
<tr>
<td>May 1, 2018</td>
<td>Begin Accepting Applications for Cultivation, Microbusiness, Craft Cooperatives, Independent Testing Labs, and Lab Agents</td>
</tr>
<tr>
<td>June 1, 2018</td>
<td>Begin Accepting Applications for Retail, Product Manufacturers, and Transport</td>
</tr>
</tbody>
</table>

Background on 2016 & 2017 Laws on Marijuana for Adult Use in Massachusetts

On November 8, 2016, Massachusetts voters voted 53% in favor of a ballot initiative known as “Question 4” authorizing the limited adult use of marijuana and the licensing of marijuana establishments, amongst other things. The ballot initiative became Chapter 334 of the Acts of 2016 and created the “Regulation and Taxation of Marijuana Act, G.L. c.94G (“2016 Marijuana Act”).

In December 2016, the Massachusetts Legislature passed Chapter 351 of the Acts of 2016. Chapter 351 accomplished a number of things. First, it exempted the cultivation of marijuana from the agricultural exemption in the Zoning Act, G.L. c.40A §3, therefore retaining local control over the placement of marijuana establishments. It also delayed the deadlines set in Chapter 334 for six months to allow the Legislature time to amend Chapter 334 (the timeline above reflects the delayed dates). It also required the Department of Public Health to enter into an agreement with a research entity to conduct a comprehensive
Baseline study of marijuana use in the commonwealth. DPH is required to submit a report of its findings not later than July 1, 2018.

On July 19, 2017, the Massachusetts Legislature passed a bill (H.3818) to amend Chapter 334 and the law it created, G.L. c.94G, as well as create additional laws relating to adult and medical use of marijuana. The bill became Chapter 55 of the Acts of 2017 ("2017 Marijuana Act") and was signed by the Governor on July 28, 2017. The 2017 Act built upon the foundation of the 2016 Act, creating a five-person Cannabis Control Commission, a twenty-five person Cannabis Advisory Board, as well as a hemp program to be run by the Department of Agricultural Resources. It also placed limits and restrictions on municipal control over the siting of marijuana establishments that will be discussed in this Guidance. The deadlines created by the Legislature in December 2016 remained unchanged.

In October 2017, the newly-formed Cannabis Control Commission held listening sessions throughout the Commonwealth. The Cannabis Advisory Board was also convened in October 2017 and broke into four subcommittees: Public Safety, Public Health, Market Participation and Marijuana Industry, which issued recommendations to the Commission regarding proposed regulations on December 5, 2017.

On December 21, 2017, the Cannabis Control Commission approved draft regulations. Public hearings were held throughout the Commonwealth and written comments were accepted through February 15, 2018. On March 7, 2018, the Commission promulgated final regulations at 935 CMR 500. It is anticipated that the regulations will be published in the Register on March 23, 2018.

Helpful Links
Chapter 334 of the Acts of 2016
https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter334

Chapter 351 of the Acts of 2016
https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter351

Chapter 55 of the Acts of 2017

Chapter 94G of the General Laws
https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXV/Chapter94g

Bill H.4284
https://malegislature.gov/Bills/190/H4284

Final Regulations
Cannabis Control Commission website
https://masscannabiscontrol.com

Definitions:
Terms used in this Guidance, such as “marijuana,” “marijuana products” and many others are defined in the Regulations, 935 CMR.500.000. Please refer to the Regulations (link provided above) if you have any questions regarding the meaning of a particular term.

Types of Marijuana Establishments
The Marijuana Acts and the draft regulations create different kinds of marijuana establishments. Unlike a registered marijuana dispensary (RMD) (also known as a “medical marijuana treatment center”), which is required to cultivate, process and retail its own marijuana and marijuana products for medical use, an adult use marijuana establishment may opt only to participate in a particular part of the industry, such as cultivation.

All marijuana establishments are subject to strict, comprehensive state regulations and inspections by Commission agents. All marijuana establishments are required to enter into host community agreements with the municipality in which they are located (there is more detail on host community agreements below). Only marijuana retailers are subject to the local marijuana tax created under the 2017 Act. One business may hold three licenses in each category, with certain exceptions.

Marijuana Cultivators
A Marijuana Cultivator may cultivate, process and package marijuana, to transfer and deliver marijuana products to marijuana establishments, but not to consumers. A Craft Marijuana Cooperative, which will be discussed in further detail below, is a type of Marijuana Cultivator. Cultivators may select what tier they will be in, which will affect their application and licensing fees. The following options are available, but no licensee may have a total canopy of more than 100,000 square feet.

Canopy means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries, canopy may be noncontiguous, but each unique area included in the total canopy calculations shall be separated by an identifiable boundary which include, but are not limited to: interior walls, shelves, greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
Tiers of Marijuana Cultivator
Each licensee (except a craft marijuana cooperative) may have 3 licenses, but the total canopy authorized by the licenses added together may not exceed 100,000 square feet.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Maximum Canopy (sq. ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>up to 5,000</td>
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<tr>
<td>Tier 2</td>
<td>5,001 to 10,000</td>
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<tr>
<td>Tier 3</td>
<td>10,001 to 20,000</td>
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<td>Tier 4</td>
<td>20,001 to 30,000</td>
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<td>Tier 5</td>
<td>30,001 to 40,000</td>
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<td>Tier 6</td>
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<td>60,001 to 70,000</td>
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<td>Tier 9</td>
<td>70,001 to 80,000</td>
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<td>Tier 10</td>
<td>80,001 to 90,000</td>
</tr>
<tr>
<td>Tier 11</td>
<td>90,001 to 100,000</td>
</tr>
</tbody>
</table>

Tier Management
Expansion: A Marijuana Cultivator may submit an application to change the tier in which it is classified. A Marijuana Cultivator may change tiers to either expand or reduce production. If a Marijuana Cultivator is applying to expand production, it must demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production.

Relegation: At the time of license renewal process for Marijuana Cultivators, the Commission will review the records of the Marijuana Cultivator during the six months prior to the application for renewal. The Commission may reduce the licensee’s maximum canopy to a lower tier if the licensee sold less than 70% of what it produced.

Craft Marijuana Cooperative
A Craft Marijuana Cooperative is a type of Marijuana Cultivator which may cultivate, obtain, manufacture, process, package and brand marijuana and marijuana products to deliver marijuana to Marijuana Establishments, but not to consumers, and must consist of:
- Massachusetts residents who have formed a limited liability company, limited liability partnership, or a cooperative corporation;
- A business may only have one Craft Marijuana Cooperative license;
- Members of a Craft Marijuana Cooperative may not have a controlling interest in any other marijuana establishment;
- A Craft Marijuana Cooperative is not limited to a particular number of cultivation locations, but is limited to a total canopy of 100,000 square feet and 3 locations for activities authorized for marijuana product manufacturers;
- One member of the Craft Marijuana Cooperative must have filed a Schedule F tax form (reporting farm income) in the past five years.
- The Craft Marijuana Cooperative must operate according to the seven cooperative principles published by the International Cooperative Alliance in 1995.

Marijuana Product Manufacturer
A Marijuana Product Manufacturer is an entity authorized to obtain, manufacture, process and package marijuana and marijuana products, to deliver marijuana and marijuana products to Marijuana
Establishments and to transfer marijuana and marijuana products to other Marijuana Establishments, but not to consumers.

**Marijuana Retailer**
A Marijuana Retailer is an entity authorized to purchase and deliver marijuana and marijuana products from Marijuana Establishments and to sell or otherwise transfer marijuana and marijuana products to Marijuana Establishments and to consumers.

Please note that similar to marijuana for medical use, edible marijuana products for adult use shall not be considered food and therefore Marijuana Retailers would not be subject to inspection by local Boards of Health under 105 CMR 590 unless local regulations requiring such inspections are promulgated.

A Marijuana Retailer provides a retail location which may be accessed by consumers 21 years of age or older or, if the retailer is co-located with a RMD by individuals who are registered qualifying patients with the Medical Use of Marijuana Program with a registration card.

**Marijuana Transporter**
A Marijuana Transporter is an entity that may only transport marijuana or marijuana products when such transportation is not already authorized under a Marijuana Establishment license if it is licensed as a Marijuana Transporter:

- **Third Party Transporter:** An entity registered to do business in Massachusetts that does not hold another Marijuana Establishment license pursuant to 935 CMR 500.050 and is not registered as a registered marijuana dispensary pursuant to 105 CMR 725.000.
- **Existing Licensee Transporter:** A Marijuana Establishment that wishes to contract with other marijuana establishments to transport their marijuana and marijuana products to other marijuana establishments.

**Marijuana Research Facility**
A Marijuana Research Facility is an academic institution, non-profit corporation or domestic corporation or entity authorized to do business in the Commonwealth of Massachusetts. A Marijuana Research Facility may cultivate, purchase or otherwise acquire marijuana for the purpose of conducting research regarding marijuana and marijuana products. Any research involving humans must be authorized by an Institutional Review Board. A Marijuana Research Facility may not sell marijuana it has cultivated.

**Laboratories**

**Independent Testing Laboratory:**
An Independent Testing Laboratory is an entity that does not hold any other type of marijuana establishment license and is properly accredited to perform tests in compliance with the stringent requirements of the Department of Public Health protocols for testing marijuana and marijuana products.

**Standards Testing Laboratory:**
A Standards Testing Laboratory is an entity that would otherwise qualify to be an Independent Testing...
Laboratory but instead performs blind tests to verify the results of an Independent Testing Laboratory at the request of the Commission.

Microbusiness
A Microbusiness is a co-located Tier 1 Marijuana Cultivator, and/or Marijuana Product Manufacturer limited to purchase 2,000 pounds of marijuana from other Marijuana Establishments in one year.

A Microbusiness licensee shall not have an ownership stake in any other Marijuana Establishment and a majority of its executives or members must have been residents of Massachusetts for no less than 12 months prior to application is eligible to apply for a Microbusiness license.

Application fees and license fees for Marijuana Microbusinesses shall be set at 50% of the combined sum of the application fees and license fees for cultivation and/or, manufacturing.

Social Consumption & Delivery
Regulations regarding licenses for social consumption and delivery to consumers have been delayed for further study. The Commission anticipates drafting regulations regarding licenses for this category in February 2019. In the meantime, municipalities wishing to authorize social consumption in their community must follow the ballot process established in G.L. c.94G §3(b) for the election in November 2018.

Please note that legislation has been filed to clarify the ballot process (Bill H.4284, which may be reviewed at https://malegislature.gov/Bills/190/H4284) and this guidance will be updated if the legislation is enacted.

Role of Cannabis Control Commission
The Commission is required to promulgate statewide regulations addressing: public health issues such as products, labeling, advertising and potency; industry issues such as cultivation, distribution, transportation and seed-to-sale tracking; and market participation for communities including women, minority, and veteran-owned businesses, as well as growing cooperatives.

The Commission will also review applications from candidates for licenses, determine which applicants may be awarded licenses, deny an application or limit, condition, restrict, revoke or suspend a license, establish a registration process, based on finding of suitability or approval of licensure, check the backgrounds of individuals associated with applicants or licensees. The Commission may inspect marijuana establishments, seize and remove from the premises of a marijuana establishment and impound any marijuana, equipment, supplies, documents and records obtained or possessed in violation of the law for the purpose of examination and inspection, inspect all papers, books and records of close associates of a license whom the Commission suspects is involved in the financing, operation or management of the licensee, impose fees and fines, and conduct adjudicatory proceedings.

The Commission may also refer cases for criminal prosecution to the appropriate federal, state or local authorities, monitor any federal activity regarding marijuana, adopt, amend or repeal regulations for the
implementation, administration and enforcement of the law, and may prepare, publish and distribute studies, reports, bulletins and other materials.

Municipal Role in Commission Licensing Process
The Commission is required by law to engage in a licensing process for marijuana establishments. During the application process, applicants will be required to demonstrate that they have held a community outreach meeting within the past six months and that they have executed a Host Community Agreement with the municipality. Once the application is complete, the municipality will be notified and given an opportunity to confirm and that the proposed location is compliant with bylaws or ordinances at the time the application was completed.

Licensing Process: Community Outreach Meeting
The applicant will need to submit documentation of a community outreach meeting, which must occur within six months of filing its application, including:

- **Notice**
  - Must contain the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, that was published in a newspaper of general circulation in the city or town at least seven calendar days prior to the hearing;
  - a copy of the meeting notice must be filed with the town or city clerk, the planning board, the contracting authority for the municipality, and local licensing authority for adult use of marijuana (if applicable); and
  - a copy of the meeting mailed to abutters and other parties of interest identified in the regulations;
- **Information Discussed**: information presented at the community outreach hearing, which must include:
  - the type(s) of Marijuana Establishment to be located at the proposed address;
  - information adequate to demonstrate that the location will be maintained securely; steps to be taken by the Marijuana Establishment to prevent diversion to minors;
  - a plan by the Marijuana Establishment to positively impact the community; and
  - information adequate to demonstrate that the location will not constitute a nuisance.
- **Q & A**: community members must be permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

Licensing Process: Host Community Agreement
Documentation in the form of a single-page certification signed by the contracting authorities for the municipality and the applicant evidencing that the applicant for licensure and host municipality have executed a host community agreement.

Licensing Process: Municipal Notification & Permitting
Notice: Once the Commission determines an application is complete, it is required to notify a municipality that it has received a completed application for a marijuana establishment in the municipality.
Sixty Day Deadline: The municipality has sixty (60) days from receipt of the application to notify the Commission that the applicant is not in compliance with local ordinances or bylaws. If communication from the municipality is not received within 60 days, the applicant will be deemed to be compliant with all applicable local ordinances and bylaws.

Local Permits: Please note that if a local ordinance or bylaw requires local permitting or licensing, the applicant does not need to have the permitting or licensing granted at the time of the notice to a municipality. Instead, the Commission simply needs to know whether such permitting or licensing is available for that particular location.

Provisional License: Similar to the process with registered marijuana dispensaries, when it completes the application process, including the municipal notification, an applicant will initially receive a provisional license. If a provisional license is issued and the applicant does not yet have local permits or licenses, it may seek the necessary local permits or licenses prior to requesting a final license from the Commission.

Final License: A final license may be issued by the Commission once the applicant has passed all the necessary inspections to receive a final license, including a demonstration that all necessary local permits and licenses have been granted.

Local Licensing: A municipality may also implement its own licensing process, as long as it does not conflict with the state laws and regulations governing marijuana establishments.

Role of Municipalities Regarding Adult Use of Marijuana
The Marijuana Acts both authorize and limit the way in which municipalities can control marijuana establishments in their communities. It also protects any restrictions or limitations a municipality may have imposed as of July 1, 2017 on the operation of RMDs, marijuana establishments or both, pursuant to the 2012 law authorizing medical use of marijuana (Chapter 369 of the Acts of 2012) or the 2016 Act. Below is a brief overview of provisions relating to municipal control. Any decision to implement local controls on marijuana should be made in consultation with a municipality’s attorney.

Host Community Agreements
Under state law, marijuana establishments and RMDs are required to execute Host Community Agreements with the municipalities in which they operate. The agreement must stipulate the responsibilities of the community and the marijuana establishment or RMDs.

The agreement may include a community impact fee of up to 3% of gross sales to be paid to the host community, as long as the fee is reasonably related to real costs imposed on the municipality due to the establishment or RMD operating there. The agreement may not be effective for longer than five years. Please note that any cost to a city or town imposed by the operation of a marijuana establishment or RMD must be documented and considered a public record under Massachusetts public records laws, G.L. c.4 §7 cl. 26 and G.L. c.66 §10.
The Commission encourages municipalities to carefully consider the impact of the particular marijuana establishment proposed for a community, as well as benefits it may bring in local revenue and employment, when negotiating a host community agreement.

There is legislation pending to protect host community agreements executed on or before July 1, 2017 malegislature.gov/Bills/190/H4284. The same legislation requires municipalities receiving community impact fee payments to establish a separate account into which fee payments must be deposited.

**Local Control: Taxes**

A municipality that accepts the local sales tax option may collect a 3% tax on sales of marijuana by a marijuana retailer to a consumer. The tax will be collected with other sales tax and distributed to municipalities at least four times per year. Please note that there is legislation pending - malegislature.gov/Bills/190/H4284 - that would remove “marijuana products intended for consumption as defined in G.L. c.94G” from the exemption from sales tax for food products for human consumption in G.L. c.64H §6.

**Local Control: Bylaws & Ordinances**

The law allows, but does not require, municipalities to pass bylaws and ordinances governing the “time, place, and manner” of marijuana establishments (cultivators, retailers, manufacturers, testing labs, and any other licensed marijuana-related businesses) as well as businesses dealing with marijuana accessories. Such bylaws and ordinances may not be “unreasonably impracticable.”

Under the definition in the law, this means that the local laws cannot be so difficult to comply with that they would subject licensees to unreasonable risk, or require such a high investment of risk, money, time or any other resource or asset, that a reasonably prudent businessperson would not operate a marijuana establishment.

Alternatively, a municipality may determine a proposed marijuana-related use falls under an existing use authorized by its bylaws or ordinances. For the purpose of understanding how to respond to a notification from the Commission that an application has been deemed to be complete, the Commission provides the following interpretation of the limits of local control.

**Local Control: Conversion from Medical Use to Adult Use**

Zoning bylaws or ordinances are not permitted to operate to prevent the conversion of an RMD registered not later than July 1, 2017 that is engaged in the cultivation, manufacture or sale of marijuana or marijuana products to a marijuana establishment for adult use engaged in the same type of activity. The Commission interprets conversion to include not only replacing the operation of a registered marijuana dispensary entirely with the operation of a marijuana establishment, but also to address adding marijuana establishment operations to the operations of a RMD.

There is legislation pending - malegislature.gov/Bills/190/H4284 - that clarifies this interpretation. A registered marijuana dispensary that has received its provisional or final registration no later than July 1, 2017 is grandfathered against zoning bylaws or ordinances that would prevent it from conducting the
same type of activities for adult use of marijuana that it is engaged in for medical use of marijuana. For a discussion on bans or limiting the number of marijuana establishments through a general bylaw or ordinance, please see the next page.

Local Control: Moratoria
A Moratorium of a Reasonable Length of Time is Permitted. Although municipalities are prohibited from using a zoning bylaw or ordinance to prevent the conversion of a registered marijuana dispensary, the Commission does not interpret the word prevent to prohibit the municipality from imposing a moratorium, a temporary delay passed as a zoning amendment to allow a municipality to engage in a planning process to determine how best to zone marijuana establishments for adult use in its community.

The Commission will interpret the reasonableness of the length of a moratorium in a manner consistent with the opinions issued by the Attorney General’s Office in reviewing moratoria proposed by communities, which, as of the date of this publication, in the majority of cases has allowed moratoria through December 31, 2018. When the moratorium expires, the Commission cautions local officials from amending their zoning bylaws or ordinances in a manner that could be deemed to conflict with the statute and recommends consulting the City Solicitor and Town Counsel regarding any zoning amendments.

Local Control: Additional Permits
Additional Local Permits for Adult Use May Be Required. Although municipalities are prohibited from using a zoning bylaw or ordinance to prevent the conversion of a registered marijuana dispensary, the Commission does not interpret the word prevent to prohibit the municipality from requiring a registered marijuana dispensary eligible under the statute to apply for any additional local permits required to change its existing operation with a marijuana establishment for adult use. The Commission cautions local permitting boards from exercising their discretion in acting on a request for a local permit in a manner that could be deemed to conflict with the statute and recommends consulting the City Solicitor and Town Counsel during their decision-making.

Local Control: Bylaws, Ordinances, and Ballots
Banning or Limiting the Number of Marijuana Establishments in a Municipality:
A municipality may restrict the number of marijuana establishments in its community, but it must follow certain procedures to do so.

- A municipality may pass a bylaw or ordinance limiting the number of marijuana retailers to 20% or more of the number of liquor licenses issued pursuant to G.L. c.138 §15 (commonly known as “package stores”) in that municipality. For example, if a municipality has 100 such liquor licenses, that municipality may set a maximum limit for 20 marijuana retailers.
- If the governing body of a municipality seeks to ban marijuana retailers from operating in the municipality, limit the number of them to fewer than 20% of the number of liquor licenses or limit the number of any type of marijuana establishment to fewer than the number of RMDs registered to engage in the same type of activity in the city or town, there are two different procedures for proceeding, which depend on how the municipality voted on the ballot initiative to legalize marijuana in 2016.
If a municipality voted no on the initiative, then the governing body may limit or ban the number of marijuana establishments by passing a bylaw or ordinance prior to and including December 31, 2019.

If a municipality voted yes on the initiative or if it is after December 31, 2019, then the question must be posed to the people of the municipality at a regular or special election following a specific process and wording.

- There is legislation pending - [malegislature.gov/Bills/190/H4284](http://malegislature.gov/Bills/190/H4284) - to clarify the election process.

**Ban:**
If a municipality enacts a complete prohibition on marijuana establishments for adult use through a general bylaw or ordinance, the Commission will not issue a license so as to authorize the conversion of a registered marijuana dispensary to a marijuana establishment for adult use in that municipality.

**Limited Number:**
If a municipality adopts a general bylaw or ordinance imposing a limitation on the number of marijuana establishments within its community, such that the amount allowed is less than the registered marijuana dispensaries within that community, the municipality must determine which registered marijuana dispensaries will be permitted to proceed to the application process for adult use by executing a host community agreement with those dispensaries.

**Local Control: Buffer Zones, Signage, and Transportation**

**Buffer Zone:**
Under state law, a marijuana establishment may not be located within 500 feet of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12. Municipalities may adopt an ordinance or bylaw to reduce that distance requirement.

**Signage:**
A municipality may regulate, by bylaw or ordinance, signage regarding marijuana-related uses, but the ordinance or bylaw may not impose a standard more restrictive than those applied to retail establishments selling alcoholic beverages within the municipality.

**Transportation:**
Municipalities are prohibited from barring the transportation of marijuana or marijuana products or adopting an ordinance or by-law that makes the transportation of marijuana or marijuana products unreasonably impracticable.

**Questions?**
If you have additional questions regarding types of Marijuana Establishments, please contact the Commission at CannabisCommission@State.MA.US or (617) 701-8400.