



MEETING POSTING

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TOWN OF NANTUCKET

Pursuant to MGL Chapter 30A, § 18-25

All meeting **notices and agenda** must be filed and time stamped with the
Town Clerk's Office and posted at least 48 hours prior to the meeting
(excluding Saturdays, Sundays and Holidays)

Committee/Board/s	Cannabis Advisory Committee (CAC)
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Day, Date, and Time	Thursday June 16, 2022 1:00PM
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Location / Address	REMOTE PARTICIPATION VIA ZOOM The meeting will be aired at a later time on the Town's Government TV YouTube Channel https://www.youtube.com/channel/UC-sgxAlfdoxteLNzRAUHlxA
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Signature of Chair or Authorized Person	Barry Rector
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WARNING: IF THERE IS NO QUORUM OF MEMBERS PRESENT, OR IF MEETING POSTING IS NOT IN COMPLIANCE WITH THE OML STATUTE, NO MEETING MAY BE HELD!

Board Members: Barry G. Rector (Chair), Dorothy Hertz, David Iverson, Meredith Lepore, Melissa Murphy, Joe Plandowski, Jacques Zimicki

Join Zoom Meeting

<https://us06web.zoom.us/j/83633369414?pwd=YXFqRjNHYmE4VVZVRFPcSXRGc1VzUT09>

Meeting ID: 836 3336 9414

Passcode: 383253

One tap mobile

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+16465588656,,83633369414#,,, *383253# US (New York)

Dial by your location

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+1 646 558 8656 US (New York)

+1 301 715 8592 US (Washington DC)

+1 346 248 7799 US (Houston)

+1 720 707 2699 US (Denver)

+1 253 215 8782 US (Tacoma)

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Find your local number: <https://us06web.zoom.us/j/83633369414?pwd=YXFqRjNHYmE4VVZVRFPcSXRGc1VzUT09>

AGENDA

Please list below the topics the chair reasonably anticipates will be discussed at the meeting

Netiquette

- a) Mute
- b) Raise hand to be acknowledged
- c) Brevity
- d) All communications addressed through the Chair

- I. Call to Order
- II. Remotely Conducted Open Meetings Statement
- III. Approval of Agenda
- IV. Approval of Draft Minutes
- V. Public Comment
- VI. Committee Review
- VII. Election of Officers
- VIII. Update from ACKNatural – Michael Sullivan
- IX. Nantucket Host Agreements – Review & Comment
- X. Brief update from Commissioners
- XI. Other Business
- XII. Next meeting
 - a. Meetings are held on the third Thursday of each month at 1:00PM
 - b. Next tentatively scheduled meeting July 21, 2022 at 1:00PM
- XIII. Adjournment

TOWN OF [REDACTED]

**Host Community Agreement Policy and Procedure for
Marijuana Establishment and Medical Marijuana Treatment Center Applicants**

The Town of [REDACTED] is interested in engaging with potential applicants who will be responsible Adult Use Marijuana Establishment and/or a Medical Marijuana Treatment Center (a/k/a Registered Marijuana Dispensary) operators creating employment opportunities and promoting economic development in the Town. The Town has developed this Host Community Agreement Policy to establish a process for reviewing eligible applicants with which to enter into host community agreements.

Application Requirements

Applicants seeking a host community agreement for an Adult Use Marijuana Establishment and/or a Medical Marijuana Treatment Center shall submit [REDACTED] () hardcopies and one electronic copy of the following materials in an envelope clearly marked “Adult Use Marijuana Establishment” and/or “Medical Marijuana Treatment Center.” Information regarding security and any other information considered proprietary must be sealed in an inner envelope marked “Confidential.” Applications shall be delivered to:

Town of [REDACTED]
Attn: _____

Included in the envelope shall be a check made payable to “Town of [REDACTED] in the amount of \$ [REDACTED] to cover the cost of the Submission Review.

Each Applicant shall submit the following information:

A. Cover Letter

A 1-2 page cover letter summarizing the Applicant’s proposal and indicating why the Applicant wishes to operate a Marijuana Establishment and/or Medical Marijuana Treatment Center in the Town of [REDACTED].

B. Intent

1. Documentation that the entity applying for the Marijuana Establishment and/or Medical Marijuana Treatment Center license with the Cannabis Control Commission is an entity registered to do business in Massachusetts.

2. Certificate of Good Standing, issued by the Corporations Division of the Secretary of the Commonwealth within the previous ninety (90) days from the date of submission to the application to the Town.
3. Documentation of the proposed address for the Marijuana Establishment and/or Medical Marijuana Treatment Center and evidence of property interest or site control in the form of clear title, an option to purchase, a legally enforceable agreement to give title, or documentation evidencing legal authorization to use the premises, such as a lease or option to lease.
4. Evidence that the proposed location complies with applicable buffer zones and zoning requirements in the form of a survey plan or GIS mapping showing the location and all properties and uses within applicable buffers as set forth in the Town's Zoning Bylaw.

C. Management and Operations Profile

1. Timeline for achieving operation and evidence the Marijuana Establishment and/or Medical Marijuana Treatment Center will be ready to operate within the proposed timeline.
2. Operating policies and procedures for the Marijuana Establishment and/or Medical Marijuana Treatment Center, including, but not limited to, the following (to the extent applicable to the proposed operations):
 - i. Security
 - ii. Traffic mitigation
 - iii. Odor mitigation
 - iv. Personnel policies
 - v. Prevention of diversion of marijuana to minors or the illicit market
 - vi. Marijuana storage
 - vii. Parking plan
 - viii. Transportation and onsite deliveries
 - ix. Delivery to customers
 - x. Cultivation process and procedures, including evidence of plans for compliance with Cannabis Control Commission best practices for energy use, water consumption and pesticide controls
 - xi. Proposed building design and signage
 - xii. Plans for external nuisance mitigation (light, noise, emissions, odor, debris, solid waste disposal)
 - xiii. Product Manufacturing process and procedures
 - xiv. Retail dispensing procedures
 - xv. Research process and procedures
 - xvi. Testing process and procedures
 - xvii. Record keeping and maintenance of financial records
 - xviii. Plan for employee staffing/local job creation
3. Qualifications of all Close Associates with managerial or operational control.
4. Disclosure of ownership interest of any Person Having Direct or Indirect Control of the proposed Marijuana Establishment and/or Medical Marijuana Treatment Center in any other licensed Marijuana Establishments and/or Medical Marijuana Treatment Centers within the Commonwealth or elsewhere (license pending or otherwise approved).

5. Training plans for employees

D. Plan for Positive Community Impacts

A proposal demonstrating municipal benefits the Marijuana Establishment and/or Medical Marijuana Treatment Center will provide to the Town, financial or otherwise, such as:

1. Description of ties to the [REDACTED] community.
2. Proposed volunteer activities or sponsoring of educational programs/seminars related to substance abuse prevention and/or other matters of health education.
3. Proposed hours of operation.
4. Proposal for ensuring protection of public health.
5. Local hiring preferences (within confines of law).
6. Security review and cooperation with local law enforcement.
7. Proposal demonstrating direct benefits the Marijuana Establishment and/or Medical Marijuana Treatment Center will provide to the Town, financial or otherwise.
8. Diversity plan to promote equity among minorities, women, veterans, people with disabilities, people of all gender identities and sexual orientation.
9. Status as Economic Empowerment or Social Equity Applicant as defined in 935 CMR 500.00.

Community Outreach Meeting

Following the submission of the above-referenced materials, the Applicant shall schedule a Community Outreach Meeting, in coordination with the Town for purposes of selecting a date and location for the Community Outreach Meeting; the costs of the Community Outreach Meeting shall be the responsibility of the Applicant. This meeting should minimize conflict with the meeting schedules of other municipal boards requiring notification of this meeting and in order to ensure availability and attendance of appropriate municipal representatives at the meeting.

The Community Outreach Meeting shall include, at a minimum, disclosure of the following information:

1. The type(s) of Marijuana Establishment and/or Medical Marijuana Treatment Center to be located at the proposed address, with a plan demonstrating the location of the facility(ies) on the property.
2. Information adequate to demonstrate that the location will be maintained securely.
3. Steps to be taken by the Marijuana Establishment and/or Medical Marijuana Treatment Center to prevent diversion to minors.
4. A plan by the Marijuana Establishment and/or Medical Marijuana Treatment Center to positively impact the Town.

Application Review

Applications will be reviewed by [REDACTED] to determine if the Applicant has submitted the requisite information needed to proceed with negotiation of a host community agreement.

Applicants may be asked to appear before the [REDACTED] to present their information in person and respond to questions.

The Town reserves the right to reject any application it deems to be incomplete; however the Town may, at its discretion, request that the omitted information or further clarifications be provided by the Applicant. The Town also reserves the right to reject any and all applications.

The Town does not discriminate on the basis of race, sex, age, color, national origin, religion, gender identity, disability, gender identity or expression, marital or parental status, sexual orientation, transgender status, veteran status, or any other protected status.

Negotiation Process

Applicants deemed qualified by the [REDACTED] will be invited to enter into negotiations for a host community agreement. Applicants will be asked to provide the Town \$[REDACTED] to be deposited into an escrow account for purposes of covering legal expenses associated with the negotiation of a host community agreement, with the balance of unused funds to be returned to the Applicant at the time the host community agreement is signed, or additional funds to be provided if the negotiations are protracted. Upon receipt of the funds, the Town shall engage in host community agreement negotiations with the Applicant. Any proposed draft host community agreement shall be subject to final review, approval, and execution by the Select Board.

Applicants may be asked to appear before the Select Board to present the proposed draft host community agreement in person and respond to questions. The Select Board may deny, approve or request an amendment to the negotiated proposed draft host community agreement in its sole discretion.

Transfer of any host community agreement shall require the prior written approval of the Select Board.

Ownership of Documents

Any material submitted by applicants shall become the property of the Town.

Public Record

Any personal or financial identifiers (e.g. SSNs, bank account numbers, etc.) contained in application documents shall be redacted by the Applicant prior to submittal.

All information contained in applications and not redacted as above may be open for public inspection. All security-related information furnished by the Applicant will be treated as confidential by the Town to the extent permitted by Massachusetts Public Records Law if submitted in a separate sealed envelope marked confidential.

Disclosure

Pursuant to G.L. c.94G §3, its implementing regulations at 935 CMR 500.000, *et seq.* and 935 CMR 501.000, *et seq.*, any Marijuana Establishment and/or Medical Marijuana Treatment Center seeking to operate in the Town of [REDACTED] must execute a host community agreement with the Town. The host community agreement sets forth agreed conditions for location within the Town and may include, but is not limited to, stipulations of responsibilities between the Town and the Marijuana Establishment and/or Medical Marijuana Treatment Center Applicants. In addition to executing a host community agreement, Marijuana Establishments and/or Medical Marijuana Treatment Centers must comply with all local bylaws and regulations, including, but not limited to, special permit requirements.

THE GREEN LADY DISPENSARY INC – HOST COMMUNITY AGREEMENT FOR THE
SITING OF A CULTIVATION, PROCESSING, AND DISPENSING MEDICAL MARIJUANA
TREATMENT CENTER IN THE TOWN OF NANTUCKET

This Agreement (the "Agreement") entered into this 21 day of November, 2017 by and between the Town of Nantucket, acting by and through its Town Manager, with a principal address of 16 Broad Street, Nantucket, Massachusetts 02554 (hereinafter the "Town") and The Green Lady Dispensary, Inc., a Massachusetts not-for-profit corporation with a principal office address of 15 Skyline Drive, Nantucket, MA 02554 (hereinafter "Company").

WHEREAS, Company wishes to locate a licensed Medical Marijuana Treatment Center (MMTC) engaged in cultivation, processing, and dispensing of marijuana for medical use in the Town at 11 Amelia Drive, Nantucket, Massachusetts 02554 (hereinafter 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 or replaced 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, as may be amended;

WHEREAS, Company, notwithstanding any exempt status, intends to pay all local taxes attributable to its operation, including real estate taxes on the space within which the Facility is located;

WHEREAS, Company 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 Town believes that the Company's operation of the Facility, coupled with its various contributions to the Town, as set forth herein, would advance the public good; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c. 94G, § 3(d), as established in the Act, applicable to the operation of the Facility as a MMTC in the Town;

NOW THEREFORE, in consideration of the provisions of this Agreement, Company and the Town agree as follows:

1. Community Impact.

The Town anticipates that, as a result of the Company's operation of the Facility, the Town will incur additional expenses and impacts upon its road system, law enforcement, fire protection services, inspectional services, permitting services, and public health services, in addition to potential additional unforeseen impacts upon the Town. Accordingly, in order to mitigate the financial impact upon the Town and use of Town resources, t The Company agrees to make a donation or donations to the Town, in the amounts and under the terms provided herein (the "FundsAnnual Payments").

2. Annual Payment.

In the event that Company obtains a Final Certificate of Registration, or such other license and/or approval as may be required for the operation of the Facility in the Town by the Massachusetts Department of Public Health (hereinafter "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 of the Town, and at the expiration of any final appeal period related thereto said matter not being appealed further, which said permits and/or licenses allow Company to locate, occupy and operate the Facility in the Town, then Company agrees to the following for each year this Agreement is in effect, provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement:

- a. The Company shall make annual payments in an amount equal to 3% of gross revenue from medical marijuana sales made at the Facility (the "Annual Payments"). The Annual Payments shall be due on June 30th following at least 12 months after the issuance of a Final Certificate of Registration, or such other license and/or approval as may be required.
- b. Upon receipt of a Special Permit to operate a Medical Marijuana Treatment Center at the Facility, Company shall make a payment to the Town in the amount of \$50,000 for improvements to be made to the municipal parking lot located to the rear of the Facility, provided, however, that such amount shall be subtracted from the first Annual Payment made by the Company to the Town pursuant to Section 2(a) above.
- c. With regard to any year of operation for the Facility which is not a full calendar year, the applicable Annual Payments shall be pro-rated accordingly.

3. Payments.

The Company shall make the Annual Payments set forth in Paragraph 2, above, to the Town of Nantucket. 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 Facility 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 Facility 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 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.

4. Other Payments.

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

5. Annual Filing.

Company shall notify the Town when the Company commences sales at the Facility and shall submit annual financial statements to the Town on or before May 1, 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 it is required by the Commonwealth to obtain and maintain a license for the Facility.

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.

6. Re-Opener/Review.

In the event that the Company enters into a host community agreement for a MMTC with another municipality in the Commonwealth of Massachusetts that contains financial terms that are superior to what the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in financial benefits to the Town equivalent or superior to those provided to the other municipality.

7. Local Taxes.

At all times during the Term of this Agreement, property, both real and personal, owned or operated by Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by Company or by its landlord, and neither 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 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 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 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 Company under Section 2 of this Agreement.

8. Community Support and Additional Obligations.

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

- b. Employment — Except for senior management, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company shall use good faith efforts to hire Town residents.
- c. Approval of Manager - If requested by the Town, the Company 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 Facility. 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 information for approval within thirty days following submittal to determine, in consultation with the Nantucket 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.
- d. Educational Programs - Company shall provide staff to participate in a reasonable number of Town-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with other Town public safety departments not mentioned in the Agreement.
- e. Processing Restrictions - The Company shall not utilize Butane nor Propane in the processing of marijuana products.
- f. Testing Requirements - The Green Lady Dispensary will work with the Nantucket Health Department to ensure that all Green Lady products are tested to the satisfaction of the Town.

9. Support.

The Town agrees to submit to DPH, CCC, or such other state licensing or monitoring authority, as the case may be, a letter supporting the Company's application for a Certificate to operate the Facility. The Town agrees to support Company's application to DPH, CCC, or such other state licensing or monitoring authority, as the case may be, 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 application submitted by the Company, in any particular way other than by the Town's normal and regular course of conduct and in accordance with their rules and regulations and any statutory guidelines governing them. The Town agrees to use reasonable efforts to work with Company, if approved, to help assist Company on their community support and employee outreach programs. This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments, or to enforce said statutes, Bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, Bylaws, and regulations.

10. Security.

- a. Company shall maintain security at the Facility at least in accordance the security plan presented to the Town and approved by DPH, CCC, or such other state licensing or monitoring authority, as the case may be. In addition, Company shall at all times comply with all applicable laws and regulations regarding the operations of the Facility and the security thereof. Such compliance shall include, but will not be limited to: providing hours of operation; after-hours contact information and access to surveillance operations; and requiring dispensary agents to produce their Program ID Card to law enforcement upon request.
- b. To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of DPH, CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the Facility is located.
- c. Company agrees to cooperate with the Town's Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures.
- d. To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the commencement of cultivation operations at the facility. Such plan shall include, but is not limited to, (i) training Company employees to be aware of, observe, and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion; and (ii) utilizing seed-to-sale tracking software to closely track all inventory at the Facility.
- e. Company shall promptly report the discovery of the following to Town police within 24 hours of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

11. Edible Products.

The Company agrees that it will not produce or sell items that resemble or are in the form of candy, such as lollipops, "gummi bears," jelly beans, or similar products.

12. Term and Termination.

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 Company operates the Facility or any similar MMTC within the Town, or five (5) years from the date of this Agreement, 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 G.L. c. 94G, § 3(d) as such law may be amended or replaced. In the event 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. The Town may terminate this Agreement at any time. Company shall not be required to cease operations at the termination of this Agreement.

13. 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 Nantucket County

14. 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 all signatories to the original Agreement, prior to the effective date of the amendment.

15. 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. Further, the Company 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 Company in a court of competent jurisdiction, the Company shall pay for all reasonable 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. Neither the Town nor Company shall assign, sublet, or otherwise transfer any interest in the Agreement without the written consent of the other. 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. 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.

18. 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 addressees:

To Town: Town Manager, Town of Nantucket
16 Broad Street
Nantucket, MA 02554
Facsimile: 508-228-7272

To Company: The Green Lady Dispensary, Inc.
15 Skyline Drive
Nantucket, MA 02554

19. 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.

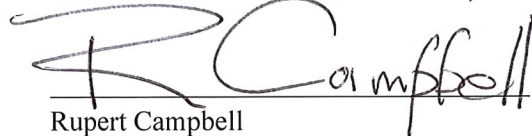
In witness whereof, the parties have hereafter set faith their hand as of the date first above written.

TOWN OF NANTUCKET



Elizabeth Gibson
Town Manager

THE GREEN LADY DISPENSARY, INC.



Rupert Campbell
President

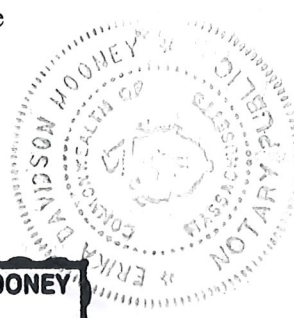
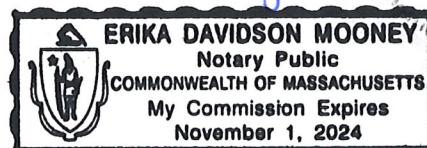
COMMONWEALTH OF MASSACHUSETTS

Nantucket, ss.

On this 5 day of December, before me, the undersigned Notary Public, personally appeared the above-named Elizabeth Gibson, proved to me by satisfactory evidence of identification, being (check whichever applies): ☐ driver's license or other state or federal governmental document bearing a photographic image, ☐ oath or affirmation of a credible witness known to me who knows the above signatory, or ☒ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose, as the duly authorized Town Manager of the Town of Nantucket.

Notary Public
My Commission Expires:

Erika D Mooney



COMMONWEALTH OF MASSACHUSETTS

_____, ss

On this 21 day of November, before me, the undersigned Notary Public, personally appeared the above-named Rupert Campbell, proved to me by satisfactory evidence of identification, being (check whichever applies): ☒ driver's license or other state or federal governmental document bearing a photographic image, ☐ oath or affirmation of a credible witness known to me who knows the above signatory, or ☐ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose, as the duly authorized President of The Green Lady Dispensary, Inc.

Notary Public
My Commission Expires:

5/11/2021

MARY K. ARONIS
Notary Public, State of New York
Registration Number 01AR6205703
Qualified in Bronx County
Commission Expires: 5/11/2021

Mary K. Aronis 11/21/2017

TOWN OF NANTUCKET
AND ACK NATURAL, INC

HOST COMMUNITY AGREEMENT

**FOR THE SITING OF A CO-LOCATED ADULT USE MARIJUANA ESTABLISHMENT AND
MEDICAL MARIJUANA TREATMENT CENTER IN THE TOWN OF NANTUCKET**

This Host Community Agreement (“Agreement”) is entered into this 19 day of May, 2019 by and between ACK Natural, Inc., a Massachusetts corporation with a principal office address of 50 Commonwealth Ave., Ste. 1, Boston, MA 02108 (“the Company”) and the Town of Nantucket, a Massachusetts municipal corporation with a principal address of 16 Broad St, Nantucket, MA 02554 (the Town”), acting by and through its Town Manager, in reliance upon all of the representations made herein.

RECITALS

WHEREAS, the Company wishes to locate a licensed Adult Use Marijuana Retailer, Marijuana Cultivator, and Marijuana Product Manufacturer for the cultivation, processing, manufacturing of marijuana products and retail sales of adult use marijuana, co-located with a Medical Marijuana Treatment Center (the “Facility”) at 17-19 Spearhead Drive Nantucket, Massachusetts 02554 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94I, G.L. c.94G and 935 CMR 500.000, as well as 935 CMR 501.000 and 935 CMR 502.000 and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations, as may be amended; and

WHEREAS, the Town recognizes this Facility will benefit the Town and its citizens through increased economic development, additional employment opportunities for residents, and a strengthened local tax base; and

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

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

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

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

1. Recitals

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

2. Annual Payments

In the event that the Company obtains the requisite licenses and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Annual Payments:

A. Community Impact Fee

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

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of gross sales from marijuana and marijuana product sales at the Facility, which shall include sales of marijuana or marijuana products for medical use. The term "gross sales" shall mean the total of all retail sales transactions of the Facility without limitation, and shall include but not be limited to all adult use marijuana and medical marijuana sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility directly to consumers or wholesale to other Marijuana Establishments.
2. The Annual Community Impact Fee shall be made annually, within 30 days following the end of each 12 months of operation, commencing on the first day of the first full calendar month after the commencement of retail sales for any part of the Facility for either adult use marijuana or medical marijuana, and continuing for a period of five (5) years. The Facility shall be deemed to have commenced operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a Final Certificate of Registration and/or a Final License and "Approval to Sell" from the CCC ("Commencement of Operations"). At least 90 days prior to the conclusion of each of the respective five-year terms, the Parties shall meet to negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement. Provided, however, that if the Parties are unable to reach an agreement on a successor

Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Community Impact Fee.

3. The Town shall use the above referenced payments in its sole discretion but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, and permitting and consulting services, as well as unforeseen impacts upon the Town.
4. Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment...” Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs and waives any claims to the contrary.

B. Annual Community Benefit Payments

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

1. Annual Community Benefit Payments: For as long as the Facility is in operation, the Company shall pay to the Town the sum of \$25,000 annually for purposes of funding substance abuse and mental health services in the Town, including, but not limited to school substance abuse and counseling services.
 - a. The Annual Community Benefit Payment shall be paid annually within 30 days following the end of each 12 months of operation, commencing on the first day of the first full calendar month after the Commencement of Operations for any part of the Facility used for either adult use or medical marijuana retail operations.
 - b. The parties hereby recognize and agree that the Annual Community Benefit Payment to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

C. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town’s usual building permit fee 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.

2. Facility Consulting Fees and Costs: In addition to the Community Impact Fee, the Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility. Provided, however, that any upfront payment for such fees and costs shall be offset against the annual payment of 3% of gross sales.
3. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town 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. Provided, however, that any upfront payment for such fees and costs shall be offset against the annual payment of 3% of gross sales.
4. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program. Provided, however, that any upfront payment for such fees and costs shall be offset against the annual payment of 3% of gross sales.
5. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made with ten (10) days of the date they are due; the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

D. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, shall annually contribute to the Town's Scholarship Committee an amount no less than \$10,000. The annual Scholarship Committee contribution shall be made annually beginning on the first anniversary following the Commencement of Operations and shall continue for the term of this Agreement.

E. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company 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 Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, 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 it is required by the 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 Company agrees that in the event the Town is unable to verify the Company's gross sales and the payment of the required amount of the annual Community Impact Fee, the Town may require the Company to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company, provided that such expense shall be offset against the annual payment of 3% of gross sales. The Independent Financial Auditor shall review the Company'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 Company's books and financial records which relate to the payment and shall include a certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Support for Craft Marijuana Cooperatives

Within one year of Commencement of Operations, the Company shall develop and launch a Craft Growers Cooperative Incubator/Accelerator Program to advance the CCC's goals of providing opportunities to local farmers seeking to participate in the cannabis marketplace. This program shall provide prospective craft growers or small-scale local cultivators an instructional course on cultivation of marijuana to the extent permitted by law. At the conclusion of the course, the Company agrees to provide ongoing support in the form of shared purchasing of supplies to support growing operations in order to off-set startup costs and laboratory testing, to the extent permitted by law, at reasonable costs. The Company agrees to prioritize applicants to its Craft Grower Cooperative Incubator/Accelerator Program who meet the requirements of the CCC's Social Equity Program.

5. Housing for Employees

ACK Natural is committed to hiring full-time residents of the Town as full-time employees to work at its Facility; however, ACK Natural shall offer housing to full-time employees, as necessary, once a vesting period has lapsed.

6. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes; however, nothing in this provision shall prohibit the Company from appealing any assessment made on its property.

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.

7. Security and Safety

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in reviewing and approving all security plans prior to the implementation and Commencement of Operations, including determining the placement of exterior security cameras, but in no event will the Police Department's review override the requirements of the CCC.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products sold in the Facility are not being transferred to the illegal market or to minors.

If requested, the Company shall implement a comprehensive diversion prevention plan to prevent diversion of medical marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. The Company shall present the

diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any reasonable changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to Town Police within 24 hours of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

The Company agrees and acknowledges that periodic inspections of the Facility by the Town's Police Department, Town's Fire Department, Building Department and Board of Health to ensure compliance with local bylaws, rules and regulations shall be a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility.

8. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time by the Company or at the request of the Select Board, shall be reviewed and approved annually by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

9. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a Final license and/or Final Certificate of Registration from the CCC, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the Facility in the Town.

This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable licenses, permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws and regulations. The Town, by entering into this Agreement, is not hereby required or obligated to issue such licenses, permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement

action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

10. Energy and Environmental Requirements

The Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the Cannabis Control Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the Cannabis Control Commission's Energy and Environmental Working Group within 6 months, or such reasonable time as the Company and the Town may agree upon after the issuance of any such standards, to reduce energy usage and consumption and operate the facility in compliance with best environmental practices with respect to cultivation, processing and manufacturing operations; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of 36 watts per gross square foot of active and growing canopy. Additionally, the Company commits to utilizing LED lighting, at a minimum, for the vegetative and flowering phases of its cultivation operations. The Company agrees to enroll in the Nantucket "PowerChoice Green" municipal electric aggregation program, which supplies a 100% renewable power product and contributes to the local solar rebate program.

The Company shall report to the Energy Office annually on its energy use through an Energy Use Disclosure and shall include in its annual report to the Select Board a summary of its ongoing strategies to further reduce electrical demand.

11. Water Consumption

The Company shall use best efforts to minimize water consumption at the Facility. Water consumption techniques shall include: (a) a commitment to utilizing techniques to ensure plants only receive the minimum amount of water needed for each plant; (b) a commitment to not engaging in water intensive cultivation methods such as ebb and flood hydroponic cultivation; and (c) installation of dehumidifiers in each room where cultivation occurs to collect and reuse moisture evaporating from plants resulting in reclamation of significant quantities of water.

12. Solid Waste and Waste Water Controls

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

Additionally, the Company shall pay to have a Deduct Meter installed at the Facility in order to monitor the municipal wastewater discharge at the Facility. The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater provided that there is no conflict with state law or regulations. Company shall utilize appropriate cultivation processes and dehumidification systems to ensure that there is minimum wastewater discharged as part of the cultivation at the Facility. Company agrees to consult with the Nantucket Sewer Department regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Facility or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Facility. Company shall comply with all reasonable requests of the Nantucket Sewer Department, including, but not limited to, testing requirements and tank holding requirements if necessary.

Organic material, recyclable material and solid waste generated at the Facility shall be redirected or disposed of as follows:

- i. Organic material and recyclable material shall be redirected from disposal in accordance with the waste disposal bans described at 310 CMR 19.017;
- ii. To the greatest extent feasible, any recyclable material as defined in 310 CMR 16.02 shall be recycled in a manner approved by the Cannabis Control Commission and any remaining marijuana waste shall be ground and mixed with other organic material as defined in 310 CMR 16.02 such that the resulting mixture renders the marijuana unusable for its original purpose. Once such marijuana waste has been rendered unusable, the mixture may be composted or digested at an aerobic or anaerobic digester at an operation that is in compliance with the requirements of 310 CMR 16.00.

The Company shall ensure that solid waste containing cannabis waste generated at the Facility is ground up and mixed with solid wastes such that the resulting mixture renders the cannabis unusable for its original purposes. Once such cannabis waste has been rendered unusable, it will be brought to a solid waste transfer facility or a solid waste disposal facility (e.g., landfill or incinerator) that holds a valid permit issued by the Department of Environmental Protection.

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

13. Odor Control Technology

The Company shall ensure that odor from the Facility does not constitute a nuisance to surrounding properties. Subject to review and approval by the Planning Board as part of the Special Permit process, the Company shall, at a minimum, utilize a closed air system at the Cultivation and Processing Facility to not relive or introduce any outdoor air into the Facility, nor allow any indoor air to escape. The

Company shall utilize high capacity activated carbon filter fans to constantly recirculate the air and remove odors and harmful volatile organic compounds (VOCs) from the Facility. The Company shall ensure proper maintenance of all odor mitigation equipment and will replace carbon filters in a timely manner according to manufacturer recommendations to ensure maximum efficiency. The Planning Board may impose additional odor control requirements as part of the Special Permit.

14. Traffic Management

The Company agrees to limit ACK's appointments to 90 vehicles per day in order to control the amount of traffic on and around the site. The Company shall at its own expense, to employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event that there is traffic queuing at the Facility which cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues.

15. Limitations on Use

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

The Company agrees that it will not produce or sell items for medical use that resemble or are in the form of candy, such as lollipops, "gummi bears," jelly beans, or similar products.

The Company additionally agrees that all edible marijuana products for adult use consumption in the form of candy or other confections shall meet the requirements of 935 CMR 500.105(5) and shall additionally be submitted to the Board of Health for review and comment on the form of the product prior to being marketed or sold by the Facility.

The Company agrees that all marijuana and marijuana products sold in its marijuana retail establishment shall be cultivated, processed and manufactured on Nantucket until such time as marijuana is made legal under or federal law.

16. Re-Opener/Review

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

In the event the Company or any controlling person enters into a Host Community Agreement for a marijuana retail establishment, a marijuana cultivation establishment and/or a marijuana product manufacturing establishment with another municipality in the Commonwealth that contains financial terms resulting in payments of a Community Impact Fee or other payments totaling a higher percentage of gross sales for the same type of establishment than the Company agrees to provide the Town pursuant

to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in financial benefits to the Town equivalent or superior to those provided to the other municipality.

17. Support

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

18. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the Facility or any of its licensed components, including adult use marijuana cultivation, marijuana product manufacturing or marijuana retail operations and any components of a registered Medical Marijuana Treatment Center in the Town, with the exception of the Community Impact Fee as set forth in Section 2 herein, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license and certificate of registration from the CCC and all necessary local permits from the Town for both the adult use and medical marijuana operations and commenced both adult use and medical marijuana operations at the Facility within two years from the date this Agreement is signed, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

19. Annual Reporting

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

20. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, not unreasonably withheld, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Notwithstanding the above, the Company agrees that in no event shall it seek to assign, sublet, transfer its rights or obligations under this Agreement or transfer a controlling

interest in any License or Certificate of Registration it receives from the CCC for a period of five (5) years from the date of receipt. Any such assignment, sublet, transfer of rights or controlling interest by the Company within the first five years of Commencement of Operations will result in a liquidated damages penalty payment by the Company to the Town in the amount as set forth below:

- Year 1 - \$500,000
- Year 2 - \$400,000
- Year 3 - \$300,000
- Year 4 - \$200,000
- Year 5 - \$100,000

Any consent by the Town herein shall be at the sole discretion of the Select Board. In exercising its discretion, the Town may require that the assignee, transferee, or successor entity submit all the relevant information that was required by the Town in the initial RFQ and reserves the right to require such additional information as the Town deems necessary.

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

21. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To Town: Town Manager, Town of Nantucket
 16 Broad Street
 Nantucket, MA 02554
 Facsimile: 508-228-7272

Copy to Town Counsel:
John W. Giorgio
KP Law, P.C.
101 Arch Street, 12th Floor
Boston, MA 02110

To Company: Mike Sullivan
 6 Reacher Lane
 Nantucket, MA 02554
 Douglas Leighton
 50 Commonwealth Avenue, STE 1

Boston, MA 02108

Copy to Counsel:
Smith, Costello & Crawford
50 Congress Street
Suite 420
Boston, MA 02109

22. Severability

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

23. Governing Law

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

24. Entire Agreement

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

25. 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 all signatories to the original Agreement, prior to the effective date of the amendment.

26. Headings

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

27. 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.

28. Signatures

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

29. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

30. Nullity

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

31. Indemnification

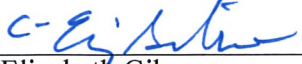
The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

32. Third-Parties

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

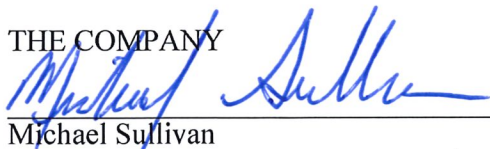
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF NANTUCKET



C. Elizabeth Gibson
Town Manager

THE COMPANY



Michael Sullivan
President

662835/NANT-MJ-0002