

**Host Community Agreement
Between
Town of Halifax, Massachusetts
and
Bud's Goods & Provisions Corp.**

This Host Community Agreement ("HCA") is made by and between the Town of Halifax, a Massachusetts municipal corporation with an address of 499 Plymouth Street, Halifax, MA 02338 (the "Town"), and Bud's Goods & Provisions Corp., a Massachusetts corporation with a principal place of business located at 54 Boylston Street, Worcester, Massachusetts 01606 ("Bud's Goods"). The Town and Bud's Goods collectively are referred to as the "Parties."

WHEREAS, Bud's Goods intends to develop an establishment dedicated to outdoor cultivation of marijuana, supported on the premises by an indoor nursery used and maintained for the purpose of germination, propagation and preparation of plants for outdoor growing, including an approximately 20,000 sq. ft. marijuana product processing and packaging facility (collectively the "Marijuana Establishment"), over various phases, upon 47 acres of real, improved property located on River Street in the Town of Halifax, Plymouth County, Massachusetts shown as "Lot 1C" on the Plan of Land dated June 8, 2018 Prepared for Brian Striar by Silva Engineering Associates, P.C. attached hereto as Exhibit A (the "Premises") for the purposes of operating as a marijuana cultivator and/or marijuana product processor as those terms are defined by G. L. c. 94G, § 1.

WHEREAS, Bud's Goods intends to submit an application to the Cannabis Control Commission (the "Commission") for a license to operate the Marijuana Establishment at the Premises (the "License").

WHEREAS, the Commission issued final licensing regulations for the adult use of marijuana under 935 CMR 500.000 (the "Adult Use Regulations"), and the Commission's licensing process allows the Town to provide a certification of confirmation (the "Commission Certification") that Bud's Goods operation of the Marijuana Establishment at the Premises complies with the Adult Use Regulations and all local bylaws or ordinances ("Local Laws").

WHEREAS, the Parties have come to a stipulation of responsibilities relating to the establishing and operation of the Marijuana Establishment as provided by G. L. c. 94G, § 3 (the "Local Control Law"), as amended by Stat. 2017 c. 55, § 25.

NOW THEREFORE, in consideration of the mutual obligation set forth in this Agreement, Bud's Goods offers and the Town accepts the following Agreement terms:

1. Bud's Goods agrees that there will be no retail sales of any marijuana, marijuana infused products or marijuana accessories from the Premises. Retail sales of all

marijuana cultivated or processed on the Premises shall take place at other retail locations.

2. Provided that the Marijuana Establishment meets all Adult Use Regulations and Local Laws, the Town agrees to provide the Commission Certification to the Commission within 60 days of a request from the Commission, and to provide such other information as may be reasonably requested by the Commission in connection with Bud's Goods applications for Licenses at the Premises and to cooperate in good faith in the Commission licensing process.
3. Bud's Goods agrees that:
 - (a) for the first five (5) years after Bud's Goods commences marijuana sales from the Premises under the License (the "CIF Period"), with respect to all wholesale sales of marijuana or marijuana infused products (hereinafter collectively referred to as "Marijuana Product"), as such products are defined in the Local Control Law and Adult Use Regulations, on or from the Premises, Bud's Goods shall provide annual community impact funding ("CIF") to the Town in the amount of 3 percent (3%) of Gross Wholesale Sales of Marijuana Product, including wholesale sales of marijuana cultivated, manufactured and/or processed at the Premises and sales of Marijuana Product obtained from off-Premises marijuana establishments; provided, that for any wholesale sales, delivery or distribution of Marijuana Product from the Marijuana Establishment to another marijuana establishment owned, operated or controlled by Bud's Goods or any affiliate of Bud's Goods ("Close Transaction"), the Gross Wholesale Sales value attributable to such Close Transaction shall be assigned a commercially reasonable fair market value as may be accepted in writing by the Town and will be included in the CIF. The term "Gross Wholesale Sales" as used herein shall mean total sales at invoice values, not reduced by customer discount, returns or allowances, or other adjustments.
 - (b) after expiration of the CIF Period and for so long as this HCA continues in effect, with respect to all wholesale sales of Marijuana Product on or from the Premises, Bud's Goods shall provide annual community prosperity funding ("CPF") to the Town in the amount of 3 percent (3%) of Gross Wholesale Sales of Marijuana Product, including wholesale sales of marijuana cultivated, manufactured and/or processed at the Premises and sales of Marijuana Product obtained from off-Premises marijuana establishments; provided, that for any Close Transaction, the Gross Wholesale Sales value attributable to such Close Transaction shall be assigned a commercially reasonable fair market value as may be accepted in writing by the Town and will be included in the CPF.
 - (c) At all times, Bud's Goods shall retain documentation on all sales (including wholesale sales and other sales), deliveries and distributions on or from the Premises, including all Close Transaction sales, and on the data used to calculate the commercially reasonable market prices for such wholesale sales. Bud's Goods shall provide complete, true and accurate copies of such documentation to the Town immediately upon request.

(d) In the event Bud's Goods' obligation to provide CIF funding or CPF funding to the Town under this HCA is determined to be unenforceable or stricken either mutually by the Parties or by a court of competent jurisdiction after all periods of appeal have lapsed, then Bud's Goods and the Town will negotiate in good faith an amendment to the HCA or a new HCA containing provisions, including community funding provisions, substantially similar to the terms contained in this HCA within ninety (90) days following such agreement or determination.

(e) Notwithstanding the terms of the Local Control Law or the Adult Use Regulations, Bud's Goods shall not take any action ("Action") to seek a determination from any regulatory authority or a decision from any state or Federal court seeking to enjoin, strike, limit or otherwise render moot its obligation to provide CIF and/or CPF funding under this HCA. Bud's Goods acknowledges that but for its agreement to provide CIF and CPF funding hereunder, the Town would not have entered into this HCA; thus, (i) in the event of any Action taken by Bud's Goods arising from or related to this HCA, the Town shall be entitled to recover from Bud's Goods all reasonable costs incurred, including court costs, attorneys fees, and all other related expenses incurred in such Action notwithstanding which Party prevails in the Action, and (ii) in the event the Town commences an action to collect ("Collection Action") CIF and/or CPF funding due, the Town shall be entitled to recover from Bud's Goods all reasonable costs incurred, including court costs, attorneys fees, and all other related expenses incurred in such Collection Action provided it prevails in the Collection Action.

(f) The Parties agree that the amount of CIF and CPF to be provided to the Town under this HCA is reasonably related to real costs to be imposed on the municipality due to the Marijuana Establishment operating in Town.

(g) According to MGL Chapter 94G, Section 3(d), a "community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment..." In consideration of the foregoing, the Parties hereby acknowledge the difficulty of ascertaining actual costs imposed upon the Town as a result of the Marijuana Establishment and agree that impacts may result in municipal budgetary and service increases that cannot be separately identified or precisely quantified; thus, Bud's Goods and the Town acknowledge and agree that all CIF and CPF payments due and payable under this HCA are reasonably related to such Town costs and each waives and releases any claim against the other to the contrary. The Parties have taken these facts into account in setting the amount of CIF and CPF payments under this HCA and agree that: (i) the CIF and CPR payments due and payable under this HCA represent the best estimate of costs imposed upon the municipality as a result of the Marijuana Establishment, (ii) said CIF and CPR payments represent reimbursement of costs to the Town and are not considered to be any form of penalty or tax levied against Bud's Goods, and (iii) the Parties have taken the opportunity to confer with legal counsel with regard to all of the provisions of set forth in this HCA.

4. So that town may ensure the accuracy of CIF and CPF due, Bud's Goods will furnish the Town with the following reports:
 - Within 120 days after the end of each fiscal year, a balance sheet, a statement of income and expense for such year and a statement of changes in financial position, all in form and in detail satisfactory to the Town, with an audit level report thereon by a certified public accountant reasonably satisfactory to the Town.
 - Within 30 days after the end of each fiscal quarter management prepared income statements consisting of a balance sheet, statement of income and expense, profit and loss for the quarter and year to date.

All such reports must be in form and substance satisfactory to the Town, and in reasonable detail, in accordance with generally accepted accounting principles consistently applied and certified as complete and accurate by Bud's Goods. Bud's Goods will also provide, promptly, such other information concerning Bud's Goods as the Town may request from time to time.

5. CIF and CPF required by the terms of Paragraph 3 shall be paid by Bud's Goods on a quarterly basis, following the first date of sale of Marijuana Product (the "Sales Commencement Date") on or from the Marijuana Establishment. The initial payment to the Town shall be made on the fifteenth day of the fourth month after the Sales Commencement Date (the "Initial Payment Date"), and shall reflect Gross Wholesale Sales for the first three (3) months of operation at the Marijuana Establishment; thereafter, CIF or CPF shall be provided every three (3) months, and shall reflect the subsequent three (3) months gross sales from the Marijuana Establishment.
6. Bud's Goods will make a one-time payment to the Town in sum of \$100,000 within one week of the Sales Commencement Date, and the Town shall credit Bud's Goods \$100,000 towards its initial CIF payment.
7. Bud's Goods will provide written notice to the Town at least thirty (30) days in advance of the anticipated Sales Commencement Date, and thereafter shall provide written notice to the Town of the actual date of its first sale from the Marijuana Establishment.
8. In the event Bud's Goods enters into an HCA with another municipality in the Commonwealth of Massachusetts providing for the Gross Wholesale Sale of Marijuana Product upon financial terms more favorable to the other municipality than those financial terms in favor of the Town as contained in this HCA, then the Parties agree that this HCA shall be amended so as to result in its financial terms being equally favorable to Town as those contained in the other municipality's HCA. Bud's Goods represents and warrants to the Town that it is not presently under an HCA with any other Massachusetts municipality providing more favorable financial terms for the Gross Wholesale Sale of Marijuana Product than those set forth in

favor of the Town under this HCA.

9. The Town may use the community impact funding, including any interest generated therefrom, in its sole discretion, consistent with the purpose of this Agreement.
10. At all times during the terms of this HCA, all property on and about the Premises, both real and personal, owned or operated, used or occupied, by Bud's Goods, shall be assessed by the Town as taxable property. All applicable real estate and personal property taxes for the property shall be paid either directly by Bud's Goods or by its landlord, and Bud's Goods shall not object or otherwise challenge the taxability of any such property, and shall neither seek nor claim manufacturing treatment or classification of the Marijuana Establishment under Chapter 59 or agricultural and/or horticultural treatment or classification of the Premises under Chapter 61A of the Massachusetts General Laws. Notwithstanding the foregoing, (i) if real or personal property owned or operated by Bud's Goods is determined to be non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax that would otherwise be paid if assessed at fair cash value as defined in G.L. c.59, §38, or (iii) if the value of such property is treated as agricultural or horticultural under said Chapter 61A, or (iv) if Bud's Goods 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 Bud's Goods 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, exemption, or agricultural/horticultural treatment (the "Equalization Payment"). This Equalization Payment shall be in addition to the CIF or CPF provided by Bud's Goods under Section 3 of this Agreement.
11. Bud's Goods agrees that it shall observe high security practices and implement enhanced policies and standards for monitoring the Premises and safeguarding the Premises from break-in and other intrusion, and theft of its inventory, raw marijuana product and MIPs. Bud's Goods shall work with the Halifax Police Department in determining the scope and level of security measures taken on and about the Premises and Marijuana Establishment, including but not limited to a traffic management plan, the location of exterior security cameras to provide unobstructed surveillance of the entire Premises, fencing, Marijuana Establishment security, identification of dispensary agents and other employees, and after hours contact information. Bud's Goods will maintain a cooperative relationship with the Halifax Police Department to ensure the Premises is safeguarded as aforesaid, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and reporting to the Halifax Police Department of any suspicious activities on the Premises.
12. Bud's Goods agrees to work collaboratively and cooperatively with the Town and adjacent property owners, including property owners and residents living on Wood Street, River Street, Pratt Street, and Thompson Street from the Middleborough/Halifax Town Line to the intersection of Thompson Street to Pratt Street ("Adjacent Property

Onwers”), to address and mitigate any reasonable concern or issue that may arise as a result of the Marijuana Establishment, including, but not limited to, odor, noise, light and visual impacts ("Negative Impact"). In the event the Town receives three (3) or more complaints from an Adjacent Property Owner within a two-week period with respect to substantially the same type of Negative Impact emanating from the Premises, then the Parties agree that the following protocol will be followed:

- i. The Town may, in its discretion, choose to investigate the complaints of Adjacent Property Owners, which may include evaluation of the complaint from the adjacent property of the complainants, and on-site inspection of the entire Premises, including Marijuana Establishment. Inspection of complaints may be conducted by the Town’s Building Inspector, Health Agent, Police Chief, and/or Fire Chief, or their designees, to evaluate the nature and scope of the complaint, document the conditions giving rise to the complaints, and investigate the Negative Impact on adjacent properties. In the event the Town chooses to conduct an on-site investigation of the Premises in connection with complaints from Adjacent Property Owners, the Town shall provide Bud’s Goods with twenty-four (24) hour advance notice of the time of inspection, and Bud’s Goods shall cooperate in the investigation and provide an authorized agent to accompany Town personnel conducting the investigation. The inspecting officials shall prepare a written Inspection Report.
- ii. Following the completion of a written Inspection Report, the Town Administrator may convene a meeting of Town Officials/Staff to review the Inspection Report, and meet with Bud’s Goods whose operations are the basis for the complaints to determine whether further mitigation measures may be implemented to address the complaints. The Town may undertake further inspections and require that independent measurements of light, sound or odors be taken. The Town and Bud’s Goods shall discuss various mitigation measures to be taken by Bud’s Goods, including the following:
 - a. A reduction in the amount of outdoor canopy for the next growing season;
 - b. A relocation of the outdoor growing operations to a less obtrusive location on the property;
 - c. The enclosure of the marijuana cultivation operations in a green house or other structure in order to control impacts;
 - d. Implementation of odor, light or noise control processes or technologies reasonably calculated to address the specific nature of the complaints; and,
 - e. Any other mitigation measures, as deemed appropriate.
- iii. In the event Bud’s Goods and the Town cannot reach an agreement as to the mitigation measures to be undertaken by Bud’s Goods, Bud’s Goods may request that the Town agree to engage an independent third-party mediator to assist in facilitating an agreed-upon resolution, the cost of which shall be borne by Bud’s Goods and may be offset against the following year’s Community Impact Fee. The Board of Selectmen and Bud’s Goods shall both agree on a third-party mediator

prior to any meeting with the mediator, and any final mitigation agreement shall be subject to approval of the Board of Selectmen.

- iv. Nothing set forth herein, including the Town's participation in a mediation/conciliation meeting, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable laws and regulations, the Local Control Law, Adult Use Regulations and Local Laws, or the conditions of any special permit and/or site plan approval granted in connection with the Marijuana Establishment, nor shall any mediation/conciliation meeting or agreement pursuant to this section of the HCA limit the authority of the Town to seek enforcement of the terms of this HCA through any available means, including by judicial order.
13. Bud's Goods shall give hiring preferences to residents of the Town who otherwise meet the qualifications for employment at the Marijuana Establishment. In addition, Bud's Goods will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Halifax area where possible.
14. This HCA and all of the obligations of the Parties hereunder shall continue in full force and effect for a term of five (5) years following the Sales Commencement Date (the "Term") and shall automatically renew for successive five (5) year terms unless: (i) one Party provides written notice to the other Party within one hundred eighty (180) days prior to expiration of the then current Term of its intended non-renewal of the HCA at the expiration of said Term; or (b) Bud's Goods ceases to operate the Marijuana Establishment in the Town, in which case Bud's Goods shall provide written notice to the Town of its cessation of operations.
15. Amendments to the terms of this HCA may be made only by written agreement of the Parties.
16. This HCA is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the Town nor Bud's Goods shall assign or transfer any interest in the HCA without the written consent of the other, such agreement not to be unreasonably withheld.
17. Bud's Goods agrees to comply with all state and local laws, bylaws, rules, regulations and orders applicable to the licensing and operation of the Marijuana Establishment on the Premises, such provisions being incorporated herein by reference. Bud's Goods shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of renovation or construction of the Premises.
18. Any and all notices, or other communications required or permitted under this HCA, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the Parties at the addresses set forth on Page 1 or furnished from time to time in

writing hereafter by one party to the other party, and in the case of Bud's Goods to:

Alexander Mazin
CEO/President
Bud's Goods & Provisions Corp.
54 Boylston Street
Worcester, MA 01606
phone: 774-239-2200
alex@budsgoods.com

and in the case of the Town to:


Larry Mayo, Esq.
Attorney Lawrence P. Mayo, P.C.
80 Washington Square, Unit C20
Norwell, MA 02061
Tel. 781.261.9914 / Fax 781.261.9670
Email: LPM@mayolaw.net

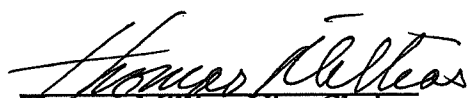
Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.

19. If any term or condition of this HCA 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 HCA shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
20. This HCA shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.
21. This HCA may be signed in multiple counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement. The parties hereto and all third parties may rely upon machine copies of signatures to this HCA to the same extent as manually signed original signatures.

This Host Community Agreement between Town of Halifax, Massachusetts and Bud's Goods & Provisions Corp. is dated this 11th day of February, 2020.

BOARD OF SELECTMEN


Troy Garron, Chair


Thomas Millias, Vice Chair


Gordon C. Andrews, Clerk

BUD'S GOODS & PROVISIONS CORP.

ALEXANDER MAZIN, CEO/PRESIDENT

This Host Community Agreement between Town of Halifax, Massachusetts and Bud's Goods & Provisions Corp. is dated this _____ day of February, 2020.

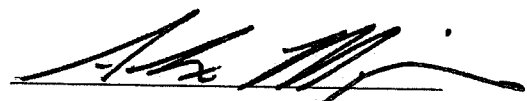
BOARD OF SELECTMEN

Troy Garron, Chair

Thomas Millias, Vice Chair

Gordon C, Andrews, Clerk

BUD'S GOODS & PROVISIONS CORP.

A handwritten signature in black ink, appearing to read 'Alex Mazin', is written over a horizontal line.

ALEXANDER MAZIN, CEO/PRESIDENT