Host Community Agreement

Between

Town of Halifax, Massachusetts

and

Grass Taps, Inc.

This Host Community Agreement (“HCA”), dated \_\_\_\_ \_\_\_\_\_\_\_\_\_\_, 2021, 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 Grass Taps, Inc., a Massachusetts Corporation with a principal place of business of 800 Hingham St. Rockland MA 02050 (“Grass Taps”). The Town and Grass Taps collectively are referred to as the “Parties.” All capitalized terms not otherwise defined herein shall have the meanings ascribed to them by M.G.L. Ch. 94G and 935 C.M.R. 500.000.

WHEREAS, Grass Taps intends to remodel a unit totaling approximately 1,800 square feet located at 894 Plymouth Street in the Town of Halifax, as shown on the plan attached hereto as Exhibit A (the “Premises”) to operate a Marijuana Establishment for retail sales of Cannabis or Marijuana Products and Accessories (the “Facility”);

WHEREAS, Grass Taps intends to submit an application to the Cannabis Control Commission (the “Commission”) for licensure as a Marijuana Establishment (the “Application”); and

WHEREAS, as part of the Application, the Parties must certify that they have executed a Host Community agreement that sets forth the conditions to have the Marijuana Establishment located in the Town, including stipulations of responsibilities of the Parties;

NOW THEREFORE, in consideration of the mutual promises herein, the Parties agree as follows:

1. Support

Following execution of this HCA, Grass Taps will provide the Town with a copy of the Host Community Agreement Certification. Within five (5) business days of receipt of the Host Community Agreement Certification, the Town will complete, execute, and return the Certification to Grass Taps. Within five (5) business days of receipt of notice from the Commission that Grass Taps has submitted a complete Application, the Town shall submit to the Commission, or other such licensing authority as required by law or regulation, certification of compliance with applicable local bylaws and ordinances relating to Grass Taps applications for licensure and/or operation where such compliance has been properly met, but the Town makes no representation or promise that it will act on any other license or permit request including but not limited to special permit or other zoning applications submitted by Grass Taps in any particular way other than in accordance with the Town’s governing laws. The Town shall in good faith timely provide to Grass Taps, the Commission, or other such licensing authority, any other information, documents, and/or certifications that are required by law for Grass Taps to obtain a state license to Marijuana Retailer license to operate the Facility in Halifax.

2. Community Impact Fees

The Town anticipates that it will incur costs imposed by the operation of the Facility, including without limitation costs related to law enforcement, fire protection services, road and other infrastructure systems, and municipal administration. The Town shall document these costs in accordance with M.G.L. 94G § 3(d). Grass Taps shall pay community impact fees (“CIF”) reasonably related to these costs as follows:

a. On a quarterly basis, Grass Taps shall pay to the Town CIF in the amount of 3% of gross revenues from the sale of Marijuana or Marijuana Products at the Facility. CIF payments shall be made within fifteen (15) business days of the end each quarter. For the avoidance of doubt, gross revenues shall not include (a) the amounts of all refunds, credits, allowances and adjustments made to customers; and (b) the amounts of state or local sales tax or similar tax imposed by any governmental authority.

b. The gross revenues shall be determined from the seed to sale records as reported to the state’s seed to sale tracking system, Metrc. A summary of such report shall be provided to the Town with each quarterly CIF payment; the complete reports shall be made available to the Town on request.

c. Grass Taps shall provide the Town with thirty (30) days’ advance written notice of its anticipated commencement of retail sales at the Facility, followed by written notice of the actual date of commencement of retail sales at the Facility (“Sales Commencement Date.”)

d. The CIF payments shall terminate five years after the Sales Commencement Date. As permitted by applicable law, the Parties may amend this HCA to continue CIF payments after the initial 5-year period.

e. In the event that the Town commences an action to collect (“Collection Action”) CIF payments due, the Town shall be entitled to recover from Grass Taps all reasonable costs, including court costs, attorneys’ fees, and other related expenses incurred in such Collection Action, provided that the Town prevails in the Collection Action. Any Collection Action shall commence with the Town providing written notice to Grass Taps and shall provide that Grass Taps shall have thirty (30) days to cure the violations set forth in said notice.

f. The Town may use CIF funding, including any interest earnings thereon, in its sole discretion, for any legal purpose consistent with this HCA.

3. Local Tax

During the term of this HCA, all property on the Premises, both real and personal, owned or operated, used or occupied, by Grass Taps shall be subject to assessment as taxable property by the Town. All properly assessed real and personal property taxes shall be paid by Grass Taps or by its landlord.

4. Security

Grass Taps shall observe the high security practices and standards required under state law for monitoring the Premises and safeguarding the Premises from break-in and other intrusion and theft of its inventory. Grass Taps shall work with the Halifax Police Department in determining additional security measures taken on and about the Premises and Facility as necessary, including but not limited to a traffic management plan, the location of exterior security cameras to provide unobstructed surveillance of the entire Premises and Facility, identification of dispensary agents and other employees, and after hours contact information. Grass Taps shall maintain a cooperative relationship with the Halifax Police Department to ensure the Premises is safeguarded, including but not limited to reporting to the Halifax Police Department of any suspicious activities on the Premises, cooperation in investigations, and periodic meetings to review concerns of the Parties, the Halifax Police Department, and the public.

5. Community Concerns

Grass Taps shall work collaboratively and cooperatively with the Town and property owners within the Town located within 300 feet of the Premises (“Adjacent Property Owners”) to address and mitigate any reasonable concern or issue related to the operation of the Facility, including, but not limited to, noise, light, and visual impacts (“Negative Impact”). In the event the Town receives three 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 shall make good faith efforts to resolve the complaints as follows:

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 the Facility. 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 Grass Taps with 24 hours’ advance notice of the time of inspection, and Grass Taps 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 Grass Taps to determine whether any measures may be implemented to address the complaints. The Town may undertake further inspections and require that independent measurements of light or noise be taken. The Town and Grass Taps shall discuss various mitigation measures to be taken by Grass Taps, including the following:

* 1. Implementation of light or noise control processes or technologies reasonably calculated to address the specific nature of the complaints; and,
  2. Any other mitigation measures, as deemed appropriate.

iii. In the event Grass Taps and the Town cannot reach an agreement as to the mitigation measures to be undertaken by Grass Taps, Grass Taps may request that the Town engage an independent third-party mediator to assist in facilitating an agreed-upon resolution, the cost of which shall be borne by Grass Taps. The Town and Grass Taps shall 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.

6. Local Employment

Grass Taps shall make employment opportunities created at the Facility available to Halifax residents. Residency in the Town shall be one of several positive factors in hiring decisions at the Facility but shall not be determinative and shall not prevent Grass Taps from hiring the most qualified candidates and otherwise complying with all applicable anti-discrimination and employment laws.

7. Term

This HCA shall be effective as of date first set forth above and shall continue for as long as the Facility is operated at the Premises.

8. Compliance with Laws

Grass Taps shall comply with applicable state and local laws, bylaws, rules, regulations and orders applicable to the licensing and operation of the Facility on the Premises, such provisions being incorporated herein by reference. Grass Taps shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of renovation or construction of the Premises.

9. Notices

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 Grass Taps to:

Brain Wall

CEO

Grass Taps, Inc.

800 Hingham Street

Rockland, MA 02370

Tel: 781-254-3406

Email: bwall@Grass Taps.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](mailto:LPM@mayolaw.net)

Any such notice or correspondence shall be deemed given when so delivered by hand, and if 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.

10. Dispute Resolution

Any dispute between the Parties arising out of or relating to this HCA shall be resolved in accordance with this paragraph. Either Party may give written notice of a dispute arising out of or related to this HCA the other Party in person or by certified mail, return receipt requested. The Parties shall attempt to resolve the matter through informal communication or negotiation for a period of thirty (30) days from the date of receipt of notice by the noticed Party. If the dispute has not been resolved within thirty (30) days, either Party may serve written notice on the other Party of a request for mediation. The mediation shall be conducted in Massachusetts by a mediator mutually agreeable to the Parties, shall not exceed one full day or two half days in length, and shall be completed within ninety (90) days from the date of receipt of notice of a request for mediation. The Parties shall share the cost of the mediator, but each shall bear its own costs related to mediation.

If the Parties are unable to resolve the dispute through mediation, then the dispute shall be submitted to and shall be determined by binding arbitration administered by the American Arbitration Association and conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date demand for arbitration is made.  The place of arbitration shall be Halifax, Massachusetts unless otherwise agreed by the Parties. There shall be a single arbitrator appointed by mutual agreement of the Parties. If the Parties are unable to agree upon the appointment of an arbitrator within fourteen days of delivery of a demand for arbitration by claimant to the respondent, then the American Arbitration Association shall appoint the arbitrator in accordance with the aforementioned rules.  The decision of the arbitrator shall be final and binding on the Parties, and not subject to appeal. Judgment on the arbitration award may be entered in any court having jurisdiction thereof.  The costs and expenses of any arbitrator shall be borne fifty percent (50%) by Grass Taps and fifty percent (50%) by the Town, provided that such arbitrator, as part of his/her decision, may award costs (including attorneys’ fees) to the prevailing party if such arbitrator believes that a party has not brought or prosecuted such a claim in good faith.

11. Miscellaneous

1. This HCA contains the entire agreement between the Parties in relation to its subject matter, and there are no other agreements or understandings, oral or otherwise, between the Parties at the time of execution of this HCA. The HCA may only be amended by written agreement of the Parties.
2. Nothing in this HCA shall be construed to create a joint venture between the Parties or to create any third party beneficiary rights.
3. This HCA is binding upon the Parties hereto, their successors, assigns and legal representatives. This HCA may not be assigned without prior written consent of the other party, which consent shall not be unreasonably withheld.
4. This HCA shall be interpreted, governed, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to its conflict of laws principles.
5. The headings and subheadings of the sections and paragraphs of this HCA are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the HCAs, terms, covenants and conditions of this HCA in any manner.
6. If any provision(s) of this HCA is determined to be invalid or unenforceable in whole or in part for any reason, such provision(s) shall be severed and the Parties shall negotiate in good faith to amend this HCA so as to effect the original intent of the Parties as closely as possible. The remaining provisions of this HCA shall be unaffected thereby and shall remain in full force and effect to the full extent permitted by law.
7. This HCA may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, 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.
8. Each Party represents that its signatories to this HCA are duly authorized by that Party to execute this HCA and in so doing to bind that Party to its terms.

In witness whereof, the Parties have set their hands as of date first above written.

TOWN OF HALIFAX GRASS TAPS, INC.

By a majority of its Board of Selectmen

Thomas Millias, Chair Brian Wall, CEO

Gordon C. Andrews, Vice Chair

Troy E. Garron, Clerk

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Between Town of Halifax, Massachusetts and Grass Taps, Inc.

EXHIBIT A





