

RESOLUTION NO. 3244

CITY OF WESTFIELD

IN CITY COUNCIL

SEPTEMBER 5, 2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WESTFIELD

WHEREAS, the City entered into a Host Community Agreement with Hidden Hemlock, LLC on November 9, 2020; and,

WHEREAS, statutory changes to M.G.L. c.94G now allow the Massachusetts Cannabis Control Commission to review, regulate, enforce and approve Host Community Agreements; and,

WHEREAS, the Massachusetts Cannabis Control Commission has developed a model Host Community Agreement that does not materially change the current Host Community Agreement and which will allow Hidden Hemlock, LLC to continue operations without interruptions.

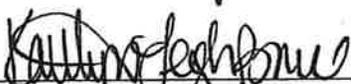
NOW THEREFORE BE IT RESOLVED, that the Mayor is authorized to approve and sign a revised Model Host Community Agreement and any associated documentation on behalf of the City of Westfield.

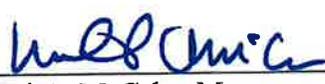
Presented to the Mayor

Approved by the Mayor

For approval Sept. 10, 2024

9.11 2024


Kaitlyn Bruce, City Clerk


Michael A. McCabe, Mayor

Resolution No. 3244

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF WESTFIELD (Amended Host
Community Agreement with Hidden
Hemlock, LLC)

In City Council, September 5, 2024

Adopted, September 5, 2024

Approved by the Mayor, September 11, 2024

FIRST AMENDMENT TO HOST COMMUNITY AGREEMENT

This **AMENDMENT TO HOST COMMUNITY AGREEMENT (“Amendment”)** is entered into this 30th day of September, 2024 (“Effective Date”) by and between **HIDDEN HEMLOCK, LLC** a duly organized Massachusetts corporation with its corporate offices presently located at 155 Federal Street, Suite 700, Boston, MA 02110 and the **City of Westfield**, a municipal corporation validly existing under the laws of the Commonwealth of Massachusetts, with a principal place of business at 59 Court Street, Westfield, Massachusetts (“City”). Collectively, Hidden Hemlock, LLC and the City may be referred to as (“Parties”).

RECITALS

WHEREAS, on November 9, 2020 the Parties entered into a Host Community Agreement (“HCA”), attached hereto as **Exhibit “A”**; and

WHEREAS, pursuant to M.G.L. c. 94G §4(a) the Massachusetts Cannabis Control Commission is authorized to review regulate, enforce, and approve Host Community Agreements and to develop a Model Host Community Agreement.

NOW THEREFORE, in order to comply and satisfy the provisions of M.G.L. c. 94G §3(d), as applicable to the licensed operations of the Marijuana Establishment, the Parties hereby acknowledge and further agree as follows:

1. The parties agree to amend the HCA by canceling said HCA and replacing it with a new HCA, attached hereto as Exhibit “B”; and
2. This Amendment is not intended to nor shall it be construed to create any rights in any third parties.

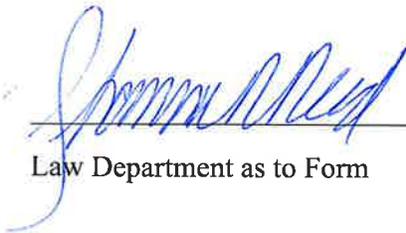
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the Date set forth above.

SIGNATURES APPEAR ON THE NEXT PAGE

CITY OF WESTFIELD



Michael A. McCabe., Mayor



Law Department as to Form

HIDDEN HEMLOCK, LLC



Jeffrey W. Bellino, Member



Gregory M. Bellino, Member

HOST COMMUNITY AGREEMENT

This HOST COMMUNITY AGREEMENT ("HCA") is entered into as of November 9, 2020 ("Effective Date") by and between Hidden Hemlock, LLC., a Massachusetts limited liability company, with its main office presently located at 155 Federal Street, Suite 700, Boston, Massachusetts 02110 ("Operator") and the City of Westfield ("City"), a municipal corporation validly existing under the laws of the Commonwealth of Massachusetts, with a principal place of business at 59 Court Street, Westfield, Massachusetts 01085. Collectively, Operator and the City may be referred to as "Parties".

RECITALS

WHEREAS, Operator intends to lease space within an existing building located at 109 Apremont Way, Westfield, MA (the "Premises") for the purposes of operating a Microbusiness (Tier I Cultivation and Product Manufacturing), an Adult Use Marijuana Establishment pursuant to G. L. c. 94G and the Cannabis Control Commission (the "Commission") Regulations 935 CMR 500.00.

WHEREAS, Operator shall operate the Adult Use Marijuana Establishment solely as a Marijuana Production Operation ("MPO") as defined in City of Westfield Ordinances Article IV, Section 4-90.2.

WHEREAS, Operator intends to submit a Change of Location Request to the Commission transferring the Operator's existing Provisional License (#MBN281355), issued in June 2020 to the Premises.

WHEREAS, the Operator intends to provide certain benefits to the City in the event that it receives the necessary approvals and licenses from the Commission, or such other state licensing or monitoring authority, as the case may be, to operate an adult use marijuana microbusiness facility (the "Facility").

WHEREAS, the Parties intend by this HCA to satisfy the provisions of G.L. c. 94G, §3(d), this HCA shall constitute the stipulations of responsibilities between the City as host community and Operator pursuant to G. L. c. 94G, § 3 (d) for the Facility.

NOW THEREFORE, in consideration of the provisions of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Operator offers and the City accepts this Agreement in accordance with M.G.L. c. 44, § 53A, and the Parties hereby agree as follows:

1. Community Impacts

The purpose of this Agreement is to assist the City in addressing Community Impacts directly proportional and reasonably related to the Operator. "Community Impacts" means, collectively, the following potential and actual impacts to the City directly related to or resulting from the

operation of the Facility such as: (i) increased use of City services; (ii) increased use of City infrastructure; (iii) the need for additional City infrastructure, employees and equipment; (iv) increased traffic and traffic congestion; (v) increased air, noise, light and water pollution; (vi) issues related to public safety and addictive behavior; (vii) loss of City revenue from displacement of current businesses; (viii) issues related to education and housing; (ix) quality of life; and (x) costs related to mitigating other impacts to the City and its residents.

2. Community Impact Fee

Operator shall pay fees to the City, on a biannual basis, equal to Three percent (3%) of the Gross Revenue derived from operations at the Premises for the previous Six (6) month period ("Community Impact Fee" or "CIF"). The term "Gross Revenue" shall include the revenue from the sale of products grown, manufactured or otherwise produced at the Premises pursuant to the License, to the maximum extent permitted under G.L. c. 94G, § 3(d), regardless of whether those products contain, or facilitate the use, inhalation, or ingestion of marijuana. The initial payment of the CIF to the City shall be made on or before the Thirtieth (30th) day following the end of the first Six (6) months from the day Operator commences cultivation operations from the Premises and shall reflect the first Six (6) months of sales. Thereafter, CIF payments shall be made to the City on or before the Thirtieth (30th) day following the end of every Six (6) month period. Operator shall notify the City when it commences cultivation operations at the Premises. While the purpose of the CIF is to assist the City in addressing any public health, safety or other effects or impacts of the Premises, the City shall use the above-referenced payments in its sole discretion consistent with the purpose of this Agreement and in accordance with G.L. c. 94G, § 3.

If the Legislature raises the current three percent (3%) maximum amount of CIF that a marijuana production operation may pay to a municipality pursuant to G.L. c. 94G, § 3(d), Operator shall pay a CIF equal to the highest percentage of the Gross Revenue from the Facility as allowed by the Legislature.

If the Legislature reduces the current three percent (3%) maximum amount of CIF that a marijuana production operation may pay to a municipality pursuant to G.L. c. 94G, § 3(d), Operator shall pay a CIF equal to the highest percentage of the Gross Revenue from the Facility as allowed by the Legislature unless the City can demonstrate that costs to mitigate community impacts exceed the Legislature directed reduction.

The Operator shall, by September 1st of each year, submit a report to the City certifying the Gross Revenue for the preceding calendar year, in addition to any seed-to-sale tracking records required to be reported to the CCC under 935 CMR 500.105(8)(e) & .105(9)(c). The report shall specify the CIF as calculated under this section and shall be prepared in accordance with generally accepted accounting principles ("GAAP").

The City shall, by September 1st of each year, publish a public record documenting the costs incurred that are related to the Operator's business activities for the preceding calendar year.

The CIF shall expire at the end of the five (5) year period beginning on the date the Facility begins operations as a Marijuana Production Operation in the City. At the conclusion of each five (5) year period, the Parties shall negotiate new HCA in accordance with G.L. c. 94G, § 3(d).

3. Right to Reopen

In the event that Operator enters into a host community agreement or other similar agreement with another municipality in the Commonwealth of Massachusetts that contains financial terms more beneficial to such municipality than this Agreement provides to the City, taking into consideration the marketplace, number of other operating adult-use marijuana facilities and customers in the municipality as compared to the City, Operator agrees to reopen this Agreement and, in good faith, negotiate an amendment that fairly adjusts the CIF set forth in this Agreement to reflect any such better terms.

4. Security

Operator shall work with the Westfield Police Department in determining the placement of exterior security cameras, at Operator's sole expense, and will ensure compliance with the Commission's security requirements. Operator will maintain a cooperative relationship with the Westfield Police Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and communication to Westfield Police Department of any suspicious activities on the Premises.

Operator shall promptly report the discovery of the following occurrences within the City to the City's Police within twenty-four (24) hours of the Operator 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, 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.

5. On-Site Consumption

The Operator agrees that, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana and marijuana-infused products at the Facility.

6. Local Preference

Except for senior management positions, Operator commits to hiring the majority of its employees from the local communities, to the extent permitted by law. In addition to the direct hiring, Operator will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Westfield area where possible and cost competitive.

7. Property Taxes

At all times during the Term of this Agreement, all property, both real and personal, owned or operated by Operator at the Premises shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by Operator or by its landlord or lessor to the City, and Operator shall not object to 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 or operated by Operator is determined to be non-taxable or partially non-taxable, a determination of which the Operator agrees not to seek at any time during this Agreement 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 Operator 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 Operator shall pay, as an additional fee to the City, an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption ("Additional Fee"). Such Additional Fee payments shall be in addition to all payment obligations owed by Operator under Section 2 of this Agreement.

8. Permits and Licenses

The Parties agree that this Agreement and all terms, conditions and requirements contained herein, are subject to, and conditioned upon Operator obtaining the required permits, licenses and registrations to conduct intended operations as a MPO at the Premises. This includes, but is not limited to, City of Westfield Board of Health local registration as described in City of Westfield Ordinances, Article VII -- Marijuana, Section 8-173 (2). If, for any reason, Operator is unable to obtain the required permits and licenses to operate, this Agreement shall be null and void and neither Party shall have any further obligations under this Agreement.

9. Term

This Agreement shall take effect on the day above written, subject to the contingencies noted herein. This agreement shall continue in effect for so long as the Operator operates the Facility or (5) years from the date the Facility begins operations as a MPO in the city, whichever is earlier. At the conclusion of the term of this Agreement, the parties shall renegotiate a new HOST COMMUNITY AGREEMENT in accordance with the current prevailing regulations and laws as such regulations and laws may be amended or replaced. In the event the Operator no longer does business in the City or in any way loses or has its license revoked by the Commonwealth, this Agreement shall become null and void; however, the Operator will be responsible for the prorated portion of the Host Community Fee due as under section 2 above.

10. Failure to Locate

This Agreement shall be null and void in the event that the Operator does not commence microbusiness operations (Marijuana Production Operations) on the Premises within one hundred eighty days (180) of the Effective Date of this Agreement or within ninety (90) days following the date Operator receives its Final License from the Commission, whichever comes last, in which case, the Company shall reimburse the City for its legal fees associated with the negotiation of this Agreement.

11. Local Authority

This Agreement does not waive, limit, control, govern or in any way describe the legal authority of any CITY board, commission, committee, officer or official to regulate, authorize, restrict, inspect, investigate, enforce against, or issue, deny, suspend or revoke any permit, license or other approval with respect to, Operator, the Premises or any Facility thereon; nor does it waive, limit, control, govern or in any way describe the legal authority of the Westfield Police Department to investigate, prevent or take action against any criminal activity with respect to Operator, the Premises or any Facility thereon. Nothing in this Agreement presumes, implies, suggests or otherwise creates any promise either that Operator shall obtain or retain any or all local permits, licenses and other approvals that are required in order to operate an adult use marijuana microbusiness facility at the Premises, or that the City shall be required to support or assist in any application for the same. The City, by entering into this Agreement is not thereby required or obligated to issue such permits and approvals as may be necessary for the Facility to operate in the City, or to refrain from enforcement action against Operator and/or the Premises for violations of the terms of said permits, approvals and or applicable statutes, ordinances and regulations.

12. Financial Records and Audit Rights of City

Operator shall submit financial records to the City simultaneously with the CIF payment provided for under Section 2, with a certification of the Gross Revenues for the six-month period from which the CIF payment was calculated. Operator shall maintain its books, financial records and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable requirements of the Commission. During the life of this Agreement, the City shall have the right to examine, audit and copy ONLY those parts of Operator's books and financial records which relate to the determination of the required payment under Section 2 and Operator's compliance with this Agreement. Such examinations shall occur only during normal business hours at such place where said books, financial records and accounts are maintained.

13. Termination

This Agreement shall terminate immediately at the time that any of the following occurs: the City notifies the Operator of the City's termination of this Agreement for Cause as defined in this section; the Operator or its assigns ceases to operate the Facility in the city; or if the Operator fails to make payments to the City as required under this Agreement and such failure remains uncured for ninety (90) days following written notice to the Operator. Cause shall be defined as any instance in which the Operator willfully or negligently violates any laws of the Commonwealth with respect to the operation of the Facility, and such violation remains uncured for ninety (90) days following written notice to the Operator.

14. Notices

Any and all notices or other communications required or permitted under the Agreement by either Party to the other shall be in writing and delivered by mail, postage prepaid, return receipt requested, by registered or certified mail, or by other reputable delivery service.

(a) Notice to COMPANY shall be delivered to:

Hidden Hemlock, LLC
155 Federal Street, Suite 700
Boston, Massachusetts 02110

(b) Notice to CITY shall be delivered to:

City of Westfield
Mayor's Office
59 Court Street
Westfield, MA 01085

(c) With a copy to:

Office of the City Solicitor
Westfield City Hall
59 Court Street, 3rd Floor
Westfield, MA 01085

15. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed verbally, and may only be amended by an agreement in writing signed by both Parties.

16. No Rights in Third Parties

This Agreement is not intended to, nor shall it be construed to, create any rights in any third parties.

17. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

18. Severability

If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either Party not receiving the benefit of its bargain.

19. Successors

This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective heirs, executors, and assigns.

20. Assignment

Neither Party may assign this Agreement without the prior written consent of the other Party.

21. Acknowledgement

The individuals signing below have full authority to do so by the entity on behalf of which they have signed.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the Effective Date set forth above.

CITY OF WESTFIELD

Donald F. Humason, Jr. 11/9/2020
Donald F. Humason, Jr., Mayor

Approved as to form:

[Signature]
Law Department

HIDDEN HEMLOCK, LLC

Jeffery Bellino
Jeffery W. Bellino, Member
Duly Authorized

Greg Bellino
Gregory M. Bellino, Member
Duly Authorized

Model Host Community Agreement Template

Disclaimer: Pursuant to M.G.L. c. 94G § 4(a), the Commission is authorized to review, regulate, enforce, and approve Host Community Agreements and to develop this Model Host Community Agreement. A Host Community Agreement submitted by a License Applicant, Marijuana Establishment, and/or Medical Marijuana Treatment Center which is determined to conform with this document will be presumed compliant with applicable laws and regulations. While this template is a contractual tool for end users, it should not be interpreted or taken as the Commission providing legal advice. Prior to executing this document, or if you have additional questions regarding the legal requirements for Host Community Agreements, you are encouraged to consult with an attorney.



HOST COMMUNITY AGREEMENT

Between

CITY OF WESTFIELD, MASSACHUSETTS

And

HIDDEN HEMLOCK, LLC

This Host Community Agreement (“Agreement”) is entered into and executed this

21st day of October, 2024

by and between

Hidden Hemlock, LLC

a business entity certified and recorded with the Massachusetts Secretary of the Commonwealth (the “Company”) applying for and/or currently holding a license issued by the Cannabis Control Commission (the “Commission”) and the Municipality of the City of Westfield (“the Municipality”).

WHEREAS, the Company is applying for a Commission license (the “Applicant”) and/or is currently licensed by the Commission as a Marijuana Establishment(s) or Medical Marijuana Treatment Center(s) (the “Licensee”), and is located within or plans to locate within the Municipality;

WHEREAS, the Company shall comply with all applicable state laws and regulations, including, but not limited to G.L. c. 94G, G.L. c. 94I, 935 CMR 500.000 *et seq.*, and 935 CMR 501.000 *et seq.*, as applicable, and such approvals as may be issued by the Municipality in accordance with its local zoning, laws, bylaws, or ordinances, as may be amended;

WHEREAS, the Company and the Municipality (collectively, the “Parties”) intend by executing this Agreement to comply and satisfy the provisions of G.L. c. 94G, § 3(d), as applicable to the licensed operation(s) of the Marijuana Establishment and/or Medical Marijuana Treatment Center, with such operations to be conducted in accordance with applicable zoning, laws, bylaws, or ordinances of the Municipality; and



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

1. Terms.

Where applicable, the following terms shall hold the same meaning and definitions as defined by the Commission in 935 CMR 500.000 *et seq.* and 935 CMR 501.000 *et seq.*, as applicable:

- a) **Marijuana Establishment (“ME”)** means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Marijuana Retailer, Marijuana Transporter, Marijuana Delivery Operator, Marijuana Courier, Marijuana Research Facility Licensee (as defined in 935 CMR 500.002: Marijuana Research Facility Licensee), Social Consumption Establishment (as defined in 935 CMR 500.002: Social Consumption Establishment), or any other type of licensed Marijuana-related business, except a Medical Marijuana Treatment Center.
- b) **Medical Marijuana Treatment Center (“MTC”)** means an entity licensed under 935 CMR 501.101 that acquires, cultivates, possesses, Processes (including development of related products such as Edibles, MIPs, Tinctures, aerosols, oils, or ointments), Repackages, transports, sells, distributes, delivers, dispenses, or administers Marijuana, products containing Marijuana, related supplies, or educational materials to Registered Qualifying Patients or their Personal Caregivers for medical use. Unless otherwise specified, MTC refers to the site(s) of dispensing, cultivation, and preparation of Marijuana for medical use.
- c) **Final License** means a certificate of final licensure issued by the Commission pursuant to its authority under G.L. c. 94G.
- d) **Fiscal Year** means the time period beginning with July 1st. and end with the following June 30th.
- e) **Community Impact Fee (“CIF”)** means impact fee(s) claimed by the Municipality which have been certified by the Commission or ruled upon by a court of competent jurisdiction as being Reasonably Related to the actual costs imposed by the Company.
- f) **Claimed Community Impact Fee (“Claimed CIF”)** means impact fee(s) claimed by the Municipality which have not been certified by the Commission or ruled upon by a court



of competent jurisdiction as being Reasonably Related to the actual costs imposed by the Company.

- g) **Reasonably Related** means a demonstrable nexus between the actual operations of a ME or MTC and an enhanced need for a Municipality's goods or services in order to offset the impact of operations. Fees customarily imposed on other non-marijuana businesses operating in a Municipality shall not be considered Reasonably Related.

Should there be a conflict between these definitions and those contained in 935 CMR 500.000 *et seq.* and/or 935 CMR 501.000 *et seq.*, the Commission's regulations shall control. Additionally, any term used in this Agreement but not identified and defined in this section shall hold the same meaning and definition as so defined in the Commission's regulations.

2. Authorized Operations.

The Parties stipulate that this Agreement provides permission for the Company to apply for, obtain, and operate the following selected license type(s) within the Municipality:

- Medical Marijuana Treatment Center
- Marijuana Cultivator (Indoor)
- Marijuana Cultivator (Outdoor)
- Marijuana Product Manufacturer
- Marijuana Retailer
- Marijuana Microbusiness (Indoor Cultivation & Product Manufacturing)
- Marijuana Microbusiness (Outdoor Cultivation & Product Manufacturing)
- Marijuana Microbusiness (Indoor Cultivation only)
- Marijuana Microbusiness (Outdoor Cultivation only)
- Marijuana Microbusiness (Product Manufacturing only)
- Marijuana Microbusiness (with Delivery Endorsement)
- Craft Marijuana Cooperative
- Marijuana Courier
- Marijuana Delivery Operator
- Marijuana Transporter
- Marijuana Research Facility
- Independent Testing Laboratory
- Standards Laboratory



Social Consumption Establishment

3. Location.

The Parties acknowledge that the Company shall identify to the Commission a proposed location where licensed operations of the ME/MTC will occur prior to being issued a license for such operations by the Commission.

4. Compliance.

The Parties shall comply with all laws and regulations governing the operation of the license type(s) selected in Section 2, as applicable, including, but not limited to:

- a) G.L. c. 94G, G.L. c. 94I, 935 CMR 500.000 *et seq.*, and 935 CMR 501.000 *et seq.*, as applicable, as the same may be amended from time to time, or its successor statute(s) if any.
- b) The Municipality's bylaws, local laws, ordinances, and zoning applicable to the operation of MEs/MTCs.
- c) The Company shall be responsible for obtaining from the Commission and the Municipality all licenses, permits, and approvals required for the operation of each license covered by the Agreement.
- d) The obligations of the Parties are contingent on the Company:
 1. Obtaining a Final License from the Commission for operation of a license type(s) selected in Section 2 in the Municipality and maintaining such license; and
 2. The Company's receipt of any and all necessary local permits and approvals to locate, occupy, and operate the license type(s) selected in Section 2 in the Municipality, inclusive of zoning compliance and maintaining compliance with all conditions of said approvals.
- e) Unless the Company submits an annual update to the Municipality as to its progress to becoming operational, this Agreement shall become voidable under the following circumstances:
 1. If the Company is unable to obtain a Final License from the Commission; or
 2. If such local permits and approvals are not granted for any reason.



- f) This Agreement does not affect the authority of the Municipality to issue or deny permits, licenses, or other approvals under the statutes and regulations of the Commonwealth, or the bylaws, local laws, zoning, and ordinances of the Municipality. Nor does this Agreement affect the Municipality's ability to enforce any applicable law.
- g) The Parties to this Agreement shall work in good faith to effectuate the purposes of this Agreement.

5. Annual Payments Responsibilities.

The Parties agree to the following provisions regarding annual payments responsibilities:

- a) **CIF**
 - 1. There may be additional expenses and impacts including but not limited to impacts on the Municipality's infrastructure systems, law enforcement, and fire protection services, as well as unforeseen expenses and impacts on the Municipality that are Reasonably Related to the operation of the ME(s)/MTC(s).
 - 2. To mitigate Reasonably Related expenses and impacts, the Company shall pay a CIF to the Municipality.
 - 3. The Municipality shall not explicitly or implicitly require the Company to make a promise of upfront or future monetary payments, in-kind contributions, or charitable contributions to the Municipality, notwithstanding the CIF payment provision allowed under G.L. c. 94G, § 3.
 - 4. A Claimed CIF or CIF shall not exceed three percent of the gross sales of the Company, nor be calculated on a certain percentage of the Company's sales.
 - 5. The Municipality shall not attempt to collect Claimed CIFs or CIFs relating to any operations occurring prior to the date the Company is granted a Final License by the Commission for any ME/MTC license(s) covered under this Agreement.
 - 6. The Municipality shall not attempt to collect Claimed CIFs or CIFs from the Company that has held a Final License for more than nine (9) years for a particular ME(s)/MTC(s).
 - 7. The Company shall notify the Municipality within five (5) business days of the



issuance of a Final License to the Company by the Commission for any license covered under this Agreement. Additionally, the Company shall notify the Municipality within five (5) business days of the issuance of a renewal of a license to the Company by the Commission for any license covered under this Agreement.

8. The Municipality shall provide an annual itemized invoice of Claimed CIFs claimed by the Municipality that are Reasonably Related to the operations of the Company within one (1) month of the anniversary of the date the Company receives or received a Final License from the Commission for each license held by the Company located within the Municipality, if more than one. All subsequent, one-year invoice periods shall be consistent with the anniversary of the Company's Final License date(s). Failure to provide said invoice within the prescribed time shall result in the Municipality forfeiting any Claimed CIF or CIF it may have been entitled to for the applicable year of the Company's operation.
9. The Municipality's itemized invoice shall specifically describe how the Claimed CIFs were spent, including a line item for each good or service charged, and a statement of its cost, purpose, and relation to the Company's particular operations.
10. The Company shall annually pay any undisputed Claimed CIF or CIF no later than the end of the current Fiscal Year or within 90 days of the date of the Commission's certification of the CIF, whichever is later.
11. The Company shall not be required to pay a Claimed CIF or CIF while the Claimed CIF or CIF is the subject of a nonfrivolous legal dispute either through the Commission's administrative hearing process or before a court of competent jurisdiction.

b) Waivers of CIF

A Municipality may not assess Claimed CIFs or CIFs or may choose to not collect either in a particular year. Any such election shall not operate as a waiver of the Municipality's rights under this Agreement to collect a CIF in subsequent years.

c) Generally Occurring Fees

Generally occurring fees are those fees customarily imposed by the Municipality on non-cannabis businesses operating within its confines and shall not be considered a CIF. These fees include, but are not limited to, sewer and water connection, and waste collection. The Municipality now affirms the following list of expected Generally



Occurring Fees the Company will be required to pay:

All generally occurring municipal fees, permit costs, taxes, excises, and assessments (collectively, the "Costs") so long as such Costs are generally applied and/or assessed equally to all similarly-situated non-cannabis businesses within the Municipality.

The Company concurs and consents to the stated list of Municipality's expected Generally Occurring Fees provided herein.

d) **Local Taxes**

Property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable taxes for that property shall be paid directly by the appropriate property owner.

e) **Other Taxes**

Notwithstanding any previously identified provisions, the Company acknowledges and affirms its obligation to pay any and all fees associated with sales tax, excise tax on Marijuana and Marijuana Products, or other taxes or fees otherwise provided for in G.L. c. 94G, G.L. c. 64H, and G.L. c. 64N.

6. Security.

- a) The Company shall maintain security at its ME(s)/MTC(s) in accordance with the security plan presented to the Municipality. In addition, the Company shall at all times comply with all applicable laws and regulations regarding the operations of MEs/MTCs, as applicable, and the security thereof.
- b) The Company shall comply with all Commission and the Municipality security requirements as promulgated by state law, regulation, local law, ordinance, or bylaw.

7. Energy Usage.

The Company shall comply with the Commission's energy regulations provided in 935 CMR 500.105(1)(q), 935 CMR 500.105(15), 935 CMR 500.120(11), 935 CMR 500.130,



et seq., and, if applicable, comparative medical regulations.

8. Diversity, Equity, and Local Opportunities.

- a) The Company shall, consistent with applicable laws and regulations, make good faith efforts to hire municipal residents for employment, supplier services, and/or vendor services.
- b) The Company shall, consistent with applicable laws and regulations, have goals, programs, and metrics, and make progress towards those goals to hire individuals/businesses for employment, supplier services, and/or vendor services from areas defined as Areas of Disproportionate Impact by the Commission.
- c) The Company shall, consistent with applicable laws and regulations, have goals, programs, and metrics, and make progress towards those goals to hire individuals/businesses identifying as, as people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, persons with disabilities, and LGBTQ+ people.

9. Effective Date, Term, and Termination.

- a) This Agreement shall be in full force and effect beginning on October 1, 2024.
- b) This Agreement shall terminate on September 30, 2033.
- c) At the conclusion of the term of this Agreement, the Parties may negotiate a new Agreement in accordance with the current prevailing regulations and laws as such regulations and laws may be amended or replaced. Alternatively, the Parties may negotiate and execute an HCA Waiver.

10. Notice of Discontinuance of Operations.

- a) The Municipality shall not discontinue relations with the Company in bad faith and shall provide the Company with written notice of the Municipality's intention to discontinue relations with reasonable advanced notice that shall be no less than 60 business days.
- b) This Agreement shall be void in the event that the Company ceases operations of its Marijuana Establishment in the Municipality for a period of greater than 60 days without substantial action to reopen or relocate such operations outside of the Municipality. The Company shall provide notice to the Municipality no less than 90 days prior to cessation



or relocation of operations.

11. Governing Law and Severability.

This Agreement shall be governed in accordance with the laws of the Commonwealth of Massachusetts. If any term or 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 one or both Parties would be substantially or materially prejudiced.

12. Confidentiality.

The Parties agree that all records in the possession of the Municipality are governed by G.L. c. 66, § 10, the Public Records Law.

13. Amendments/Waiver.

The Parties may make amendments to this Agreement or waive its terms only by a mutually executed written agreement in accordance with the current prevailing regulations and laws as such regulations and laws may be amended or replaced.

14. Successors/Assignees.

This Agreement is binding upon the Parties hereto, their successors, assignees and legal representatives. The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without:

the prior written consent from the Municipality

15. 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.

16. Signatures.

Facsimile and electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature. The individuals signing below have full authority to do so by the entity on whose behalf they have signed.

17. Notices

Except as otherwise provided herein, any notices, consents, demands, requests, approvals,



or other communications required or permitted under this Agreement shall be made:
both electronically and by mail to the address(es) identified below for the respective Parties

Identified Address(es) for the Municipality:

Office of the Mayor
City of Westfield
59 Court Street
Westfield, MA 01085

Identified Address(es) for the Company:

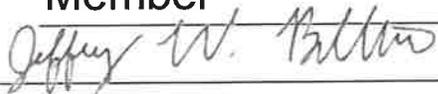
Jeffrey W. Bellino, Member
Hidden Hemlock, LLC
155 Federal Street, Suite 700
Boston, MA 02110

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

MUNICIPALITY OF THE CITY OF WESTFIELD

Duly Authorized Representative Name: Michael A. McCabe
Duly Authorized Representative Title: Mayor
Duly Authorized Representative Signature: 
Date of Signature: 10.21.24

COMPANY: Hidden Hemlock, LLC

Duly Authorized Representative Name: Jeffrey W. Bellino
Duly Authorized Representative Title: Member
Duly Authorized Representative Signature: 
Date of Signature: 10-8-2024



