

HOST COMMUNITY AGREEMENT

This HOST COMMUNITY AGREEMENT (the “Agreement”) is made as of the _____ day of _____, 20__ (the “Effective Date”) by and between the **CITY OF CAMBRIDGE** (hereinafter referred to as the “Host Community” or the “City”), a municipal corporation existing within the Commonwealth of Massachusetts with an address of City Hall, 795 Massachusetts Avenue, Cambridge, Massachusetts 02139, and _____ (hereinafter referred to as the “Applicant”), a Massachusetts corporation with a usual place of business located at _____.

The City and the Applicant shall be collectively known herein as the “Parties.”

BACKGROUND

WHEREAS, on July 28, 2017, An Act to Ensure Safe Access to Marijuana (the “Act”) was signed into law by the Governor of the Commonwealth of Massachusetts; and,

WHEREAS, certain provisions of the Act require that an applicant for a license to operate a Marijuana Establishment (as defined in the Act) enter into a host community agreement with the municipality in which such applicant seeks to operate (M.G.L. Ch. 94G, §3(d)) (“Host Community Agreement” or “Agreement”); and,

WHEREAS, the Applicant seeks to operate such a Marijuana (hereinafter referred to as “Cannabis”) Establishment, also known as a Cannabis Business, as defined in Chapter 5.50 of the Cambridge Municipal Code in the City (the “Cannabis Business”), at the location of _____ (the “Premises”); and,

WHEREAS, the City and the Applicant desire to mitigate any actual adverse community impacts of the Cannabis Business and to protect the security and health of the people of Cambridge; and,

WHEREAS, the City and the Applicant desire to enter into this Agreement to state the terms the Applicant must meet in order for the City to agree to be the Host Community for Applicant’s Cannabis Business; and,

WHEREAS, it is the intention of the Parties that each be bound by the provisions of this Agreement and that this Agreement be fully enforceable in accordance with its terms,

NOW, THEREFORE, the Applicant and the City covenant and agree as follows:

1. Statement of Interest. The Applicant submitted an executed Statement of Interest for Cannabis Business Host Community Agreement, with documentation attached thereto (collectively the “Statement of Interest”) on _____ [DATE]. The Applicant hereby certifies that all statements contained in the Statement of Interest are true and accurate. The Applicant further agrees that any commitments set forth in the Statement of Interest are incorporated herein by reference and are material terms of this Agreement. The Applicant agrees to fulfill all commitments made or that are required by this Agreement and the Statement of Interest throughout the term of this Agreement and

further agrees that all such commitments are material terms of the Statement of Interest and this Agreement.

2. Community Support and Additional Obligations.

a.) Hiring.

- i. Hiring of Cambridge Residents. When hiring workers for available positions at the Cannabis Business, the Applicant shall use best efforts to hire workers for those positions as follows: first, qualified residents of the City of Cambridge; and then, if workers cannot be obtained in sufficient numbers, positions may be open to other qualified workers. The Applicant's goal for hiring of Cambridge residents shall be at least fiftyone percent (51%) of its workers. In furtherance of this commitment the Applicant shall work in concert with local work-force organizations and programs in an effort to inform the community and to help identify Cambridge residents who have acquired or can acquire the appropriate training, skills and work experience to work for the Applicant.
- ii. Hiring of minorities, women, military veterans, and individuals with a prior marijuana-related conviction. The Applicant shall hire at least fiftyone percent (51%) workers who are minorities, women, and/or military veterans. Additionally, the Applicant shall use best efforts to hire individuals who have a prior conviction solely for a Cannabis-related offense unless the offense involved the distribution of a controlled substance, including Cannabis, to a minor. The Applicant shall document its efforts and the results of its efforts to hire such workers to the City in such form as the City may reasonably request.

b.) Local Vendors. To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Applicant will make every effort in a legal and non-discriminatory manner to give priority to women-owned, minority-owned and local businesses, suppliers, architects, engineers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Cannabis Business.

c.) Public Education Requirements. The Applicant shall work with the City, including the Cambridge Public Health Department, to create and distribute to consumers public education materials regarding Cannabis. The City must give final approval of all such materials prior to their distribution. The Applicant shall display and distribute such materials to each of its customers at the point of sale. All costs associated with the creation and distribution of educational materials shall be borne by the Applicant and may be arranged for through self-production of approved materials or through purchase of standardized materials from the Cambridge Public Health Department, whichever is agreed upon between the Applicant and that department. If requested by the City, the Applicant agrees to

work collaboratively with the City and provide staff to participate in a reasonable number of City-sponsored educational programs on public health and drug abuse prevention geared toward public health and public safety.

- d.) Ongoing Community Outreach Meetings Requirement. The Applicant shall conduct community outreach meetings twice a year after opening for business, with the first meeting to be held within six (6) months after opening for business, and a meeting shall be held every six (6) months after that. Within thirty (30) days after each meeting, the Applicant shall provide a report to the City describing the following:
- i. What outreach the Applicant conducted or publicity the Applicant provided in advance of the meeting;
 - ii. How many people attended the meeting;
 - iii. How many people spoke at the meeting; and iv. Summarizing comments from the public concerning the impacts the Cannabis Business has on the community.
- e.) Applicant has described in its Statement of Interest any other non-monetary benefits the Applicant has proposed that it will provide to the community and/or the City.
3. Enforcement by the City. The enforcement measures related to the Applicant's breach of any material term of this Agreement may include, but are not limited to the following: the City may report such breach to the state Cannabis Control Commission and/or to the Attorney General; the City may terminate this Agreement pursuant to Paragraph 18 below; the City may revoke any permit granted by the City to the Applicant in connection with its Cannabis Business for breach of any term of such permit; and the City may seek relief in a court of competent jurisdiction against the Applicant.
4. Restrictions on Consumption, Production, Manufacturing, Processing, Packaging and Sales. All consumption, production, manufacturing, processing, packaging and repackaging of Cannabis on-site at a retail establishment is prohibited. At a retail establishment, the Applicant may sell only Cannabis and Cannabis accessories, and not other products, including tobacco products or alcoholic beverages of any kind. No person under the minimum legal sales age shall be permitted to enter the Cannabis Business unless such person possesses a state-issued registration card demonstrating that the person is a registered qualifying medical marijuana (Cannabis) patient and the Cannabis Business is, or is co-located with, a Registered Marijuana Dispensary.
5. Community Impact Fee. The City imposes on the Applicant a Community Impact Fee in the amount of three percent (3%) of the Applicant's gross revenues derived from the Cannabis Business' sales. The Parties anticipate that, as a result of the Applicant's operation of the Cannabis Business, the City will incur additional expenses and impacts upon its road system, law enforcement, inspectional services, permitting services, administrative services, educational services and public health services, in addition to potential unforeseen impacts upon the City. To mitigate the financial impact upon the

City and use of the City's resources, the Applicant agrees to pay this fee under the terms provided herein. The Parties agree that this fee is reasonably related to real costs incurred by the City due to the Cannabis Business operating the Premises in the City. The Applicant agrees to make payments of this fee to the City Treasurer every six (6) months. Payments are due thirty (30) days after the end of each six-month period. The first payment will, therefore, be due seven (7) months after the opening date of the Cannabis Business, and a payment will be due every six months thereafter. If this Agreement terminates prior to its anticipated five (5) year term, the Applicant's final payment of this fee to the City shall be made within thirty (30) days following the date of Termination. Payment of the Community Impact Fee shall not reduce the Applicant's responsibility for other payments due to the City from the Applicant, such as water and sewer payments, real and personal property tax payments, sales tax payments, and other City fees associated with the permitting, construction, or licensing of the Premises.

6. Payment of the Community Impact Fee. The Applicant shall make the payment of the Community Impact fee as set forth in Paragraph 5 above, to the City. The Treasurer of the City shall receive and hold the payments in conformity with applicable law, for the purposes of addressing the potential public health, safety, and effects of impacts of the Cannabis Business on the City and on municipal programs, services, personnel, and facilities. While the purpose of the payments is to assist the City in addressing any public health, safety, and other effects or impacts the Cannabis Business may have on the City and on municipal programs, services, personnel, and facilities, the City may expend the payments at its sole and absolute discretion.
7. Annual Filing. The Applicant shall notify the City when the Applicant commences sales at the Cannabis Business. The Applicant shall submit to the City annually, on or before January 15 of each year, financial statements, satisfactory to the City, certified by a Certified Public Accountant that shall at a minimum indicate the amount of the gross revenues from the Cannabis Business' sales in the previous calendar year. Upon request the Applicant shall provide the City with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as is required by the Commonwealth in order for the Applicant to obtain and maintain required State licenses and permits for the Cannabis Business.
8. Compliance with Laws; Planning Board Special Permit Required. The Applicant shall comply with all State and local laws, codes, rules and regulations in connection with its Cannabis Business, including all City permitting and licensing laws. Such compliance shall include the Applicant obtaining a special permit from the Planning Board specifically related to its retail sales of Cannabis at the Premises that is the subject of this Agreement, and obtaining a Cambridge Cannabis Business Permit, pursuant to Cambridge Municipal Code Chapter 5.50.
9. Hours of Operation. The Cannabis Business' hours of operation must be approved by the Cambridge Police Commissioner, including any change in previously approved hours of operation.

10. Security. The Applicant shall maintain security at the Cannabis Business at least in accordance with the security plan presented to the City and approved by the Cannabis Control Commission, or any other such state licensing or monitoring authority, as the case may be. In addition, the Applicant shall at all times comply with all applicable laws and regulations regarding the operations of the Cannabis Business and the security thereof. The Applicant shall work with the Police Commissioner at his or her request to resolve any concerns about security at the Cannabis Business and public safety concerns in connection with the Cannabis Business.
11. Requests for Information. The Applicant shall cooperate and comply with requests for information made by the City Council, the City Manager and City Departments, including the Police Department, Public Health Department, Inspectional Services Department, Fire Department, Traffic Department, Law Department, School Department, Finance Department and Community Development Department.
12. Consent to Inspections. The Applicant consents to unannounced, unscheduled, periodic inspections of the Premises and of any vehicles associated with the Premises by City officials to determine compliance by the Applicant and its employees and agents with all State and local laws, codes, rules, regulations and requirements.
13. Traffic and Crowd Management. The Applicant must work with the City's Director of Traffic, Parking and Transportation and the Police Commissioner at their request to resolve any traffic and/or crowd management issues resulting from the operation of the Premises. Any costs related to traffic mitigation or crowd management measures required by the City, including a paid police detail during some or all hours of operation, shall be borne by the Applicant.
14. List of Applicant's Officers. The Applicant must provide the City with a regularly updated list of the names, phone numbers and email addresses of its Manager/s of the Premises, as well as its Chief Executive Officer, Executive Director and any other individuals involved in the oversight, management or control of the Cannabis Business' operations. In addition, the Applicant must provide the City with a regularly updated list of the names and addresses of all persons with an ownership interest in the Applicant and the Cannabis Business.
15. Living Wage. The Applicant shall comply with the City's Living Wage Ordinance, Cambridge Municipal Code Chapter 2.121, and pay its employees at least a Living Wage as defined under said Ordinance.
16. Real Estate and Personal Property Taxes. At all times during the Term of this Agreement, the real estate and personal property taxes for the Premises at which the Cannabis Business is operated will be paid either directly by the Applicant or by its landlord, and the Applicant will not seek a non-profit or other tax exemption from paying such taxes.
17. Local Excise Taxes. The Applicant shall pay the local excise tax on its retail transactions as may be required by law.

18. Term and Termination. The Term of this Agreement shall commence upon the date that the Applicant opens the Cannabis Business in Cambridge and shall remain in effect until one of the following occurs:

- a.) the Cannabis Control Commission revokes the Applicant's license to operate the Cannabis Business, thereby requiring the Applicant to cease operation of the Cannabis Business; or,
- b.) the Applicant terminates this Agreement upon the permanent cessation of all Cannabis Business business at its location within the City of Cambridge, having given the City at least ninety (90) days' prior written notice of its plans to permanently cease operations; or,
- c.) five (5) years have elapsed since the Effective Date of this Agreement, except that the Parties agree that if it appears that this Agreement will terminate by virtue of it having been in effect for the maximum term of five (5) years, then at least ninety (90) days prior to such Termination the Parties may work in good faith to negotiate a successor agreement to this Agreement or if such a new agreement is not reached, then the Applicant shall immediately cease all of its operations at the Premises; or
- d.) the City determines that the Applicant has breached a material term of this Agreement, including the Statement of Interest incorporated by reference to this Agreement, or has failed to comply with any State or local law, code, rule, regulation or requirement, and has notified the Applicant in writing of its decision to terminate this Agreement based on such breach. It shall be considered a material breach of this Agreement if more than ten percent (10%) of the ownership interest in the Applicant is transferred, sold, or otherwise conveyed to any person, corporation, trust or other legal entity after the execution of this Agreement by the Parties, without the prior written approval of the City.

If this Agreement is terminated based on paragraphs (a), (b), (c) or (d) above, then the Applicant shall immediately cease all of its operations at the Premises.

19. Assignment. The Applicant shall be prohibited at all times from assigning, in whole or in part, any portion of the Agreement without the prior written consent of the City.

20. Relocation. The Applicant may not relocate its Cannabis Business without first obtaining a new special permit from the Planning Board and obtaining all other approvals for any relocation required by applicable laws, rules or regulations or City policy.

21. Other Permits, Licenses and Approvals. This Agreement does not affect, limit, or control the authority of City boards or departments to carry out their respective powers and duties to decide upon and to issue, or deny applicable permits, licenses and other approvals under applicable laws, rules or regulations or City policy or to enforce applicable laws.

22. Notice. Any notice hereunder shall be in writing and shall be deemed duly given if mailed by certified or registered mail, postage and registration charges prepaid, at the addresses set forth below:

the City: Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 12039
Attention: City Manager

and to: Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 12039
Attention: City Solicitor

The Applicant:

23. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto. This Agreement may not be changed verbally and may only be amended by an agreement in writing signed by both Parties.

24. No Rights in Third Parties. This Agreement is not intended to, nor shall it be construed to, create any rights in third parties.

25. Severability. If any portion 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 shall remain in full force and effect.

26. Governing Law and Exclusive Venue. The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, and that a court of competent jurisdiction in Middlesex County shall be the exclusive venue for any court proceedings that may arise from this Agreement.

27. Insurance. The Applicant shall obtain the following types of insurance:

a. General Liability Insurance. An insurance policy at its sole cost and expense designating the City as an additional named insured under its combined single limit bodily injury and property damage policy in the amount of one million dollars per occurrence (\$1,000,000.00/occurrence) and three million dollars in the aggregate (\$3,000,000.00/aggregate), insuring the City against any liability, loss or damage that might result to the City as a result of the activities permitted under this Agreement; said insurance policy shall be maintained as long as this Agreement is in effect and the Applicant shall provide a certificate of insurance annually to the City and shall provide a copy of its insurance policy as requested by the City. Failure to maintain said policy shall be grounds for termination of this Agreement. The Applicant shall provide thirty (30) days' prior written notice to the City of lapse or cancellation of such policy. All insurance carriers shall

carry an A.M. Best rating of "A-" or better. Each policy required by this Agreement shall provide for a 30-day notice of cancellation or non-renewal clause, which clause shall also be indicated on each Certificate of Insurance.

b. Workers' Compensation and Employers' Liability. The statutory limits of workers' compensation and employers' liability insurance in amounts adequate to satisfy the umbrella underlying requirements.

c. Excess/Umbrella Liability. Umbrella liability coverage in an amount not less than \$10,000,000 per occurrence. Umbrella liability coverage is to be in excess of the general liability and employers' liability requirements outlined above and such requirement shall be subject to reasonable modification based on market changes and insurance coverage standards generally applicable to commercial real estate similar in type, use and location as the Premises. Such insurance shall name the City as an additional named insured.

28. Indemnification. The Applicant shall indemnify, defend and hold the City harmless with respect to any enforcement actions, or any private claims or actions, related to the Cannabis Business' operations and shall pay for all reasonable fees and costs, including reasonable attorneys' fees and costs, resulting to the City therefrom.

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

IN WITNESS WHEREOF, the Applicant and the City have executed this Agreement under seal as of the day and year first above written.

CITY OF CAMBRIDGE:

Louis A. DePasquale
City Manager

Approved as to Form:

Nancy E. Glowa
City Solicitor

APPLICANT:

By: _____
Print name and title: _____
Duly authorized: _____

If a corporation, please complete the Certificate of Authority in the form attached hereto.

CERTIFICATE OF AUTHORITY

At a meeting of the Board of Directors of _____ on _____, 20____, at which a majority of the Directors was present, it was voted that _____ be and hereby is authorized to execute contracts and bonds in the name and on behalf of said Company, and affix its corporate seal thereto; and the execution of any contract or obligation in this Company's name and on its behalf by such Officer shall be valid and binding upon this Company.

Attest: _____
(Clerk)

Place of Business:

Date of Statement of Interest:

I hereby certify that the above vote has not been amended or rescinded and remains in full force and effect as of this date _____, 20____.

Attest: _____
(Clerk)