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THE CITY OF SPRINGFIELD, MASSACHUSETTS

July 15, 2019

INSA Inc.
Attn: Peter Gallagher
122 Pleasant Street, Suite 144
Easthampton, MA 01027

RE: Notice of Selection for Negotiation of Host Community Agreement, Proposed Marijuana Establishment in the City of Springfield; City RFQ/P No. 19-116

Dear Mr. Peter Gallagher:

Congratulations! The Proposal your firm submitted for the City's Request for Qualifications (RFQ) No. 19-116, was one of Four (4) proposals selected by the City's RFQ review committee to begin Host Community Agreement ("HCA") negotiations with the City of Springfield for a potential marijuana establishment in the City.

All proposals were independently reviewed and ranked by the City's evaluation committee for this RFQ, and selections were based on the ranking of comparative selection criteria and submittal requirements specified. Successful negotiation and execution of HCA with the host community is required of all applicants seeking a state license to operate a marijuana facility pursuant to M.G.L. Ch. 94G, § 3(d), and 935 CMR 500.00.

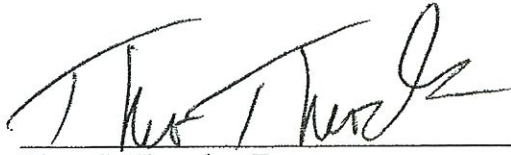
I am enclosing a copy of the City's Internal Review Committee's ranking of all proposals submitted, a copy of which is also posted on the City's website: <https://www.springfield-ma.gov/cos/index.php?id=2976>.

Please be advised the City reserves the right to negotiate changes, modifications, or amendments to submitted proposals, and this notice of selection to enter into HCA negotiations does not constitute an offer or binding agreement of any kind. All applicants must also meet any and all state requirements to obtain a license if a HCA is successfully negotiated.

Please contact me at your earliest convenience to arrange a meeting for later this week with this office and the Law Department to begin negotiating a Host Community Agreement. I am enclosing a copy of the draft HCA which was included with the RFQ/P which will be used as the basis for negotiations.

If you have any questions regarding this matter, please do not hesitate to contact me directly.

Sincerely,



Theo G. Theocles, Esq.
Deputy Procurement Officer

CC: Mayor Domenic J. Sarno
City of Springfield RFQ Review Team

RFQ/P 19-116: Ranking of Proposals by City of Springfield Internal Review Team

RANK	Business/Proposer
1	INSA
2	Holistic Industries
3	6 Bricks LLC
4	311 Page Blvd, LLC
5	American Leaf Company Inc./American Leaf MA
6	Springfield Strain, LLC
7	Diem (TDMA Springfield LLC)
8	Primus, LLC
9	KUR/Bay State Canna Holdings, LLC
10	Debilitating Medical Condition Treatment Center, Inc.
11	Cannaworld/Cannamundo
12	The Greenery FCCC
13	Hennep, Inc.
14	The Springfield Cannabis Company
15	Sure, LLC
16	Abby Property Management LLC
17	Tree Market Springfield LLC
18	Equity First, LLC
19	Boston Bud Factory
20	New England Cannabis Corporation, Inc.
21	Springfield Buds
22	Alphonsia Jacobs, Jr.
23	Liberty Street Farms

Proposals deemed non-responsive: Not eligible for review

Cannaworld/Cannamundo- Cultivation and manufacturing applications disqualified based on zoning – property not zoned for proposed uses

Green Rush, LLC: Disqualified based on zoning: located within 500 feet of school.

Mass. Alternative Health Care: Disqualified based on zoning: located within 500 feet of school.

The Herb Company: Disqualified based on zoning: located within 500 feet of school.

Withdrawn Proposal

Hampshire Hemp, LLC: Submission withdrawn by applicant on July 2, 2019.

EXHIBIT C

SAMPLE HOST COMMUNITY AGREEMENT
BETWEEN
THE CITY OF SPRINGFIELD
AND
(COMPANY)

Note this is a sample host community agreement. Actual terms and conditions may vary between selected entities.

This **HOST COMMUNITY AGREEMENT** made on this ___ day of ___, 2019 by and between the **City of Springfield**, a municipal corporation existing within the Commonwealth of Massachusetts, acting by and through its Chief Development Officer, with the approval of its Mayor, hereinafter referred to as the "**City**", and (**Business Name**), a (form of business entity) with a usual place of business located at _____, hereinafter referred to as "**Company**".

WHEREAS, the City has conducted a Phase I Request for Qualifications/Proposals ("RFQ/P") process for the selection of Marijuana Establishments wishing to operate in Springfield;

WHEREAS, Company was selected during the RFQ/P process and seeks approval to operate as a (type of marijuana establishment); and

WHEREAS, the City and Company enter into this Host Community Agreement to memorialize the terms of Company's support of community initiatives and commitment to mitigate actual or potential adverse community impacts due to operation of a marijuana establishment in Springfield; and

WHEREAS, the Host Community Agreement shall constitute the stipulations of responsibilities between the City and Company pursuant to G.L. c. 94G, §3, as amended by c. 55 of the Acts of 2017 for the Company's operation of a (type of marijuana establishment) in the City.

NOW, THEREFORE, for the consideration set forth herein, the Parties hereto mutually agree as follows:

A. Community Impact.

1. As a result of the Company's operation of the (type of marijuana establishment) within the City, the City anticipates that additional expenses will be incurred by the City based on impacts in several areas including, but not limited to, law enforcement services, inspectional services, permitting services, administrative services, public health services and impacts on public roadways maintained by the City. In order to mitigate the direct and indirect financial impacts imposed on the City, Company agrees to annually pay a host community impact fee to the City.
2. Host Community Impact Fee. Based on Company's operation of (type of marijuana establishment) within the City, Company shall make annual payments to the City for the direct and indirect financial impacts to the City.
 - i. The annual payment shall be equal to three (3%) percent of the gross revenue from the retail sale of marijuana and marijuana products pursuant to G.L. c. 94G, §3.

- ii. Company shall make the annual payment quarterly of the calendar year on the 1st of January, April, July and October beginning the first full quarter after opening/beginning sales.

B. Real Estate Taxes: At all times during the term of this Agreement, real estate taxes for the property at which Company is operating will be paid either directly by Company or by its landlord.

C. Term.

1. **Initial Term:** Upon execution by all parties, this Agreement shall commence as of (Start Date) and shall continue in effect for five (5) years terminating on (Termination Date), unless earlier terminated or extended in accordance with this Agreement.
2. **Renewal Term:** At the end of the Initial Term of this Agreement, the parties shall renegotiate a new Host Community Agreement in accordance with the current prevailing laws and regulations.

D. Termination.

1. In the event Company no longer operates within the City, Company shall notify the City within ____ days. This Agreement shall terminate upon proper notification to the City of Company ceasing to operate.
2. This Agreement shall be null and void in the event Company does not begin operation in the City unless by amendment.

E. Security.

1. Company shall maintain a security plan in accordance with 935 CMR 500.110 of the Cannabis Control Commission regulations. Company shall comply with all security requirements set forth in 935 CMR 500.110 and any subsequent amendments and regulations.
2. Company shall cooperate with the City of Springfield Police Department for, including but not limited to, the scheduling of periodic meetings to review operational concerns, the security plan, and delivery procedures.
3. Company will report the discovery of the following occurrences to the City of Springfield Police and Fire Department within twenty-four (24) hours of awareness of the event:
 - a. Amendments to Company's security plan;
 - b. Diversion of marijuana or marijuana products at Company's operating site;
 - c. Loss and any criminal action;
 - d. Diversions, accidents, or other losses occurring during transport;
 - e. Failure of any security alarm system; or
 - f. An alarm activation that requires the response of public safety personnel.

F. **Marijuana Awareness and Educational Programs.** Company will provide a total of \$ _____ to the City of Springfield to further marijuana awareness and education programs and further mitigate the impacts from public marijuana use. This payment will be made on an annual basis. This payment will not be considered part of the annual payment as described in Section A above.

G. **Community Support.**

1. **Local Hiring.** Company agrees that, to the extent permissible by law, the Company will make every effort in a legal and non-discriminatory manner to hire _____% of City residents as staff for the Company.
2. **Local Vendors.** Company agrees that, to the extent permissible by law, the Company will make every effort in a legal and non-discriminatory manner to contract with local businesses, suppliers, contractors and vendors in the provision of goods and services related to the overall operation of the Company.
3. **Public Education.** Upon request, Company agrees to cooperate and assist the City with City-sponsored public health education programs and public safety programs.

H. **Support by the City.**

1. Upon proper demonstration of compliance, the City agrees to submit to the Cannabis Control Commission a certification stating Company has complied with all applicable laws and ordinances related to the Company's application for a marijuana establishment license.
2. The City makes no representation or promise that it will act in any particular way on any additional local requirements including but not limited to, a Special Permit Application, a Health and Human Services permit or a Building Permit. The City will review these local requirements based on the normal and regular course of conduct and in compliance with governing rules and regulations of the City, its Boards and Commissions.

I. **Annual Meeting of the Parties.** The City of Springfield shall send a notice no later than _____ of each year of the proposed date and time of an annual meeting to the designated representative of the Company.

Company: _____

With a copy to: _____

City: _____

With a copy to: _____

The Parties shall promptly notify each other of any change of their respective addresses or representatives set forth above. After proper notification, such new address shall become the notice address or such new representative shall become the notice representative hereunder. Notice and other communications shall be deemed given when deposited in the United States mail and sent registered or certified, postage prepaid, to the last known address of the party concerned.

J. Notification of Assignment.

1. Company shall be prohibited at all times from assigning, in whole or in part, any portion of this Agreement without the prior written consent of the City.
2. Ownership & Control.
 - i. Prior to a change of ownership, where an owner acquires or increases ownership to ten percent (10%) or more of equity, Company shall notify City.
 - ii. Prior to a change in control of the Company, where an individual, corporation, or entity shall be in a position to control the decision-making of the Company, Company shall notify the City at least 60 days in advance. A position to control the decision-making of the Company entails the following:
 1. Actual control of more than 50% of the voting equity;
 2. Power to appoint directors;
 3. Contractual rights to control; and/or
 4. The right to veto significant events.
3. In the event of an assignment of ownership and/or control as described above, Company shall ensure the controlling Parent Company executes a Guaranty and Keep Well Agreement with the City. Such Guaranty and Keep Well Agreement is attached hereto as Exhibit A.

K. 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.

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

M. 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 shall remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.

N. 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 Springfield, Hampden County shall be the exclusive venue for any legal proceedings that may arise from this Agreement.

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

In Witness Whereof, Hampden Care and the City have executed this Host Community Agreement as of the date the same is finally signed by all parties listed below.

COMPANY:

CITY OF SPRINGFIELD:

By: _____

By: _____