
DEVELOPMENT AGREEMENT

by and between

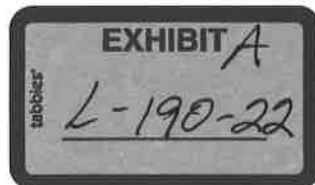
PARMA WELLNESS CENTER, LLC

and

THE CITY OF PARMA

**Project Name: Medical Marijuana Businesses
Located at 12795, Corporate Drive, Parma, Ohio 44130**

Date: September __, 2022



DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is made and entered into on September __, 2022, by and between Parma Wellness Center, LLC (“PWC”), and the City of Parma (the “City”).

The City and PWC may be referred to individually as a “Party,” or collectively as “Parties.”

RECITALS

- A. APG Parma LLC owns certain real property located at 12795 Corporate Drive, Parma, Ohio 44130 (the “Property”) and intends to lease the Property and any improvements located thereon to PWC.
- B. In 2016, the State of Ohio enacted Chapter 3796 of the Ohio Revised Code, authorizing the use, possession, cultivation, processing, testing, and sale of medical marijuana in the State of Ohio.
- C. PWC wishes to operate medical marijuana cultivation and processing facilities at the Property.
- D. The Property is currently zoned for Industrial Park use.
- E. Pursuant to R.C. 3796.29, the City is authorized to limit and regulate the number of medical marijuana entities within the City.
- F. The City does not have a moratorium prohibiting medical marijuana entities from operating within the City.
- G. The City’s current zoning authorizes operation of medical marijuana cultivating, processing and dispensary facilities in industrially-zoned areas of the City, such as the zone in which the Property is located.
- H. As part of the application process for a medical marijuana cultivator, processor and/or dispensary license, the Companies will likely be required to provide proof of compliance with the City’s local zoning and/or regulations relating to medical marijuana cultivators, processors and/or dispensaries.
- I. Given the qualifications of the PWC, the City is satisfied that it will operate as a medical marijuana processor and/or cultivator in a manner that is compliant with all State laws and regulations, and also in a manner that will adequately protect the health and general welfare of the City’s residents.
- J. The City recognizes the financial benefit to the City from allowing PWC to operate at the Property, not only through increased economic activity but also from the donations from PWC pursuant to this Agreement. The City will now be provided with an additional revenue source to address a number of community issues, including but not limited to:

- Opiate treatment, interdiction, and/or education;

- Drug education programs for the City's youth;
- Neighborhood beautification in the neighborhood in which the Property is situated; and/or
- Other safety-related services.

AGREEMENT TERMS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **General Obligations of PWC.** PWC shall be obligated to comply with all Ohio laws and regulations relating to the operation of a medical marijuana cultivator processor and/or dispensary facility at the Property. In addition, until such time as the City adopts a local ordinance providing for fees to be paid by a medical marijuana cultivator and/or processor facility operating within the City, PWC shall donate \$2,500.00 to the City payable as "City of Parma Parks & Recreation Department" and in the Memo Line "Special Rec Account 286" on or before September 30, 2022, and continuing to make a \$2,500.00 donation each year thereafter. Other donations to the City are set out in the Specific Obligations of PWC. In the event that any other medical marijuana cultivator or processor is allowed to make lesser donations or if any related law change, PWC may reduce its donation to an equal amount. PWC may make the donations quarterly during the year upon which the donation is based.

2. **Specific Obligations of PWC.**
 - (A) Cultivation. In addition to the requirements of the City's codified ordinances, PWC further agree to comply with the following requirements for any Cultivation facility operated by PWC in the City:
 - (i) Site Plan sell include the following:
 - a. Identification of vehicular and pedestrian access points and travel paths; public vehicular and pedestrian access points; areas with restricted access; the size, configuration, and location of all buildings; the relationship of the site to adjoining properties and uses; building setbacks; any areas for future expansion; and location and field of view of each security camera.
 - b. Parking plan for employees, visitors, customers, deliveries, and shipping/receiving.
 - c. Building plan identifying all interior spaces and their uses; areas of restricted access; areas accessible to the public; and location and field of view of each security camera.

- d. Landscape plan utilizing tolerant species and water efficient irrigation system.
- e. Exterior lighting plan, including provision for illumination during evening hours of all entrances and all window areas of the facility. Exterior lighting standards shall comply with the requirements, standards, and codes of the City of Parma and the State of Ohio.
- f. Exterior perimeter fencing and security plan, including security of all entrances and windows. Perimeter fencing shall be provided for a cultivation facility and its design should be appropriate for and compatible with the zoning district in which it is located and the design of the facility and shall be approved by the Parma Planning Commission. Controlled access shall be provided.

(ii) Security Plan

- a. A written security plan including, at a minimum, security camera monitoring of all site and facility entrances and access points; all spaces accessible by the public; all secured areas of the facility with restricted access; all interior spaces and rooms where medical marijuana products are handled and processed; shipping and receiving areas; cash storage areas; and other areas necessary to protect the safety of employees and the public, and to ensure medical marijuana products are received, handled, stored, packaged, shipped, and distributed in compliance with applicable local and state laws and regulations.
- b. The security plan shall include the provision of sensors installed to detect entry and exit from all secure areas, panic buttons installed in appropriate locations, a professionally monitored alarm system with glass breakage sensors and motion detectors, and use of security guards provided by third party security companies or providers.
- c. Security camera monitoring and recording shall be on a 24/7 basis. Recordings shall be secured and retained on the premises for a minimum of thirty (30) calendar days.
- d. The permit holder shall notify the Police Department immediately upon becoming aware that the security camera monitoring system is not fully operational. The Police Department shall be notified 72 hours in advance of any planned security system maintenance that will result in any stoppage of the continuous recording.
- e. The Chief of Police shall be notified within twenty-four (24) hours after discovering any of the following:

1. Significant discrepancies identified during inventory;
2. Diversion, theft, loss, or any criminal activity involving the facility or its operations, or any agent, officer, or employee of the business;
3. The loss or unauthorized alteration of records related to medical marijuana or employees or agents of the business; or
4. Any other breach of security.

(iii) Building Design and Layout

- a. Building design shall reflect a quality institutional or industrial development. Attention to architectural detail and a higher level of design and use of materials and finishes is suggested. Design and plan review in accordance with the provisions of the codes of the City of Parma and the State of Ohio is required. Final building design and layout shall also be subject to review and approval of the Parma Planning Commission.
- b. Marijuana plants or products shall not be visible from a public or private road, sidewalk, park, or any common public viewing area.
- c. The facility shall remain secure and operational during a power outage. Access doors shall not solely be controlled by an electronic access panel to ensure that locks are not released during a power outage.
- d. All medical marijuana and medical marijuana products shall be stored and secured in a manner to prevent diversion, theft, and loss.
- e. For new construction or existing facility renovation, construction activities shall be subject to the City's and State's standard conditions relating to construction activities as well as its standard plan exam, building permitting, and inspection processes, procedures, and fees. The facility shall not be occupied or any business operations conducted until a Certificate of Occupancy is issued by the City.
- f. The original copy of the regulatory and use permits issued by the City pursuant to the municipal code, and the business license issued by the City, shall be posted inside the facility in a location readily visible to the public.

(iv) Signage

- a. Exterior signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered.
- b. No signs placed on the premises shall obstruct any entrance or exit to the building or any window. And no temporary signs shall be permitted..
- c. Each entrance to a medical marijuana facility shall be visibly posted with a clear and legible notice, stating that smoking, ingesting, or otherwise consuming marijuana or alcohol on the premises or in the areas adjacent to the facility is prohibited, and violators will be reported to the Police Department.
- d. Each entrance to a medical marijuana facility shall be visibly posted with a clear and legible notice, stating that no person under the age of twenty-one (21) shall be allowed in the facility or anywhere on its premises.
- e. Each entrance to a medical marijuana facility shall be visibly posted with a clear and legible notice, stating that loitering by persons outside the facility, either on the premises or within one hundred feet (100') of the premises, is prohibited.
- f. Exterior signage plan shall be in compliance with the requirements of the municipal code.

(v) Operations

- a. Standard operating procedures detailing how operations will comply with state and local laws and regulations, how safety and quality of products will be ensured, recordkeeping procedures for financing, testing, and adverse effect recording, and product recall procedures.
- b. Point-of-sale tracking system to track and report all aspects of the medical marijuana business including, but not limited to, such matters as medical marijuana product tracking, inventory data, and gross sales (by weight and by sale). The system must have the capability to produce historical transactional data.
- c. The storing, cultivation, and distribution of medical marijuana or medical marijuana products shall be indoors only. No outdoor operations shall be allowed, except for the delivery, shipment, or transport of medical marijuana or medical marijuana products from one indoor facility to another. No medical marijuana or medical marijuana product shall be stored or left in any vehicle except only

as long as reasonably necessary to ship or receive the product. In no event shall medical marijuana or medical marijuana products be stored or left in any vehicle outside the normal operating hours of the facility.

- d. Description of banking plan, cash handling procedures, and plan for acceptance of check, credit card, and/or debit card transactions.
- e. Transportation plan describing the procedures for safely and securely transporting medical marijuana and products and currency.
- f. Except with the prior consent of the City, which shall not be unreasonably withheld, conditioned or delayed, hazardous, flammable, or explosive substances shall not be used to cultivate marijuana products on site.

(vi) Community Relations

- a. Exercise commercially reasonable good faith efforts to engage in public outreach and education program including, but not limited to, outreach to and interface with public and private schools; youth organizations, religious organizations, health care providers, drug abuse treatment providers, and mental health and drug counselling providers.
- b. Designation of person responsible for community relations activities, public interface, and responding to community inquiries and complaints. This person shall be present on site during normal business hours.
- c. Interface with City of Parma Police Department to ensure operation of the medical marijuana facility is in compliance with local and state laws and regulations.
- d. Exercise commercially reasonable good faith efforts to develop a local recruitment, hiring, and training program.

(vii) Fees and Other Charges

Effective upon the calendar quarter in which PWC records its first sale, but no sooner than Q1 (i.e., January 1st – March 31st) of 2023 and until such time as the City adopts a local ordinance providing for fees to be paid by a medical marijuana cultivator facility operating within the City, PWC shall agree to donate to the City an annual per square foot donation (the "Donation") in an amount equal to \$2 per net square foot (i.e., canopy space, which for purposes of this Agreement is defined as room square footage used for mature flowering plants) utilized for canopy space up to the approved 25,000 square footage, for each Level I cultivator license to enable the City to promote, protect, and enhance the health, safety, and welfare of

the community and its residents, and its quality of life; and to compensate the City for the increased demand on City services, infrastructure, and utilities; local traffic demands; and increased City review and oversight by the police department, planning department, and code enforcement of the operations of the facility. Provided, however, that if PWC's operations do not meet its regularly adopted projections and business plans for a given year, with the consent of the City (which consent shall not be unreasonably withheld, conditioned or delayed) the Donation shall be reduced to an amount not less than \$1 per net square foot utilized for canopy space in the approved 25,000 square feet. In the event that any other medical level 1 medical marijuana cultivator located in the City and is allowed to make lesser donations, PWC may reduce its donation to an equal amount. PWC may make the donations quarterly during the year upon which the donation is based. Under no circumstances shall the donatable amount set forth in this provision of the Agreement exceed \$50,000 per year.

(viii) Insurance

- a. Commercial general liability including property and personal injury, motor vehicle, and workers' compensation insurance in the amounts and of the types acceptable to the City.
- b. The City shall be named as an additional insured on all required insurance policies.

(ix) Resource Efficiency

- a. A cultivation facility requires the consumption of significant amounts of water and electrical energy. The design of the facility shall include water and energy conservation measures to minimize resource consumption. The design shall incorporate solar, wind, high efficiency lighting, and water recycling systems and technology when possible.
- b. High efficiency LED lighting systems for grow lights and exterior lighting is recommended.
- c. Automated, digitally controlled watering systems shall be used when appropriate for all plant cultivation when possible.

3. **Obligations of the City.** The City will timely execute all reasonably necessary documents as part of PWC's medical marijuana cultivator, processor and/or dispensary applications to evidence that (a) PWC is in compliance with all local zoning and regulations, and (b) the City has no moratorium on medical marijuana entities in effect.
4. **Conditions Precedent.** The obligations of PWC under this Agreement are contingent upon all the following:

- a. The award of either a medical marijuana cultivator and/or processor license and certificate of operation by the Ohio Department of Commerce and/or the Ohio Board of Pharmacy; and
 - b. The City awarding to PWC all other building and other municipal permits or licenses required to operate as a medical marijuana processor and/or cultivator at the Property; and
5. **Good Faith.** Whenever a Party is required or permitted to grant approval or consent, take any action or request any other Party to take any action, make decisions or otherwise exercise judgment as to a particular matter, arrangement or term, the party granting such approval or consent, taking or requesting such action, making decisions or otherwise exercising judgment shall act reasonably and in good faith and, in the case of approvals or consents, shall act with all deliberate speed in making its determination of whether or not to approve or consent to any particular matter and shall not impose conditions on the granting of such approval or consent that the approving or consenting party does not believe are necessary in connection with such approval or consent.
6. **Default.** If either Party fails to comply with any of the material terms of this Agreement, the other Party may declare a default and seek any remedy at law or in equity without notice or demand, including specific performance.
7. **Notice.** Any notice or communication required or permitted to be given under this Agreement by any Party to the other is sufficiently given if personally delivered, or mailed by certified United States mail, postage prepaid, and addressed as follows:

To PWC:

Parma Wellness Center, LLC
 c/o Dr. Sheldon Rose
 c/o Russell A. Randazzo
 Randazzo Law, LLC
 55 Public Square #2100
 Cleveland, Ohio 44113

with a copy to:

Russell A. Randazzo
 Randazzo Law, LLC
 55 Public Square #2100
 Cleveland, Ohio 44113

To Greenlight Management, LLC (as PWC management company):

Greenlight Management, LLC
 2601 South Bayshore Drive, Suite 900
 Miami, FL 33133
 Attn: Brad Asher

To the City:

The City of Parma, Ohio
 6611 Ridge Road
 Parma, Ohio 44129
 Attn: Mayor

with a copy to: 6611 Ridge Road
Parma, Ohio 44129
Attn: Law Director

Any party may change its address for notice purposes by providing written notice of the change to the other Parties.

8. **Termination.** This Agreement shall terminate at the earliest occurrence of any of the following events:
- a. If PWC only receives a license to operate a medical marijuana cultivation facility in the City, then this Agreement terminates when PWC ceases to operate the medical marijuana cultivation facility in the City;
 - b. If PWC only receives a license to operate a medical marijuana processor facility in the City, then this Agreement terminates when PWC ceases to operate the medical marijuana processor facility in the City;
 - c. If PWC receives licenses to operate either or all of a medical marijuana cultivation and/or processor facility in the City, then this Agreement terminates when PWC operates neither a medical marijuana cultivation nor processor facility in the City.

Within 180 days of termination of this Agreement, PWC shall pay to the City any unpaid Donation under Section 1 of this Agreement for the preceding calendar year, as well as any unpaid Donation for the calendar year in which the Agreement is terminated.

9. **Third-Party Beneficiaries.** The Parties agree that no third-party beneficiaries are intended to be created by this Agreement.
10. **Successors and Assigns.** All rights and obligations contained herein shall be binding upon and inure to the benefit of the City and PWC, as well as its respective successors and assigns. PWC may assign its rights, benefits and obligations under this Agreement to a successor in interest with respect to either the Property or PWC's business on the Property.
11. **Amendments and Modifications.** This Agreement cannot be modified or altered unless reduced to writing and consented to by all Parties.
12. **Severability.** If any mutual term or provision of this Agreement (or its application to any person or circumstance) is deemed not authorized under Ohio law or invalid or unenforceable by a court of law, the remainder of this Agreement shall not be affected, and each remaining term or provision shall be valid and enforced to the fullest extent permitted by law.

13. **Force Majeure.** Except as expressly provided in this Agreement, if any Party is delayed or hindered in, or prevented from, the performance of any obligation under this Agreement as a result of any cause or circumstance beyond the reasonable control of such Party, including, but not limited to, strikes, lockouts, shortages of labor, fuel or materials, acts of God, enemy act, riot, insurrection, fire or other casualty, martial law declaration, then the time for performance of such obligation shall be extended by a reasonable time to accommodate such delay or hindrance.

The Party seeking the benefit of the provisions of this section shall, within 30 days after the beginning of any such delay, notify the other Party in writing, and shall also provide the cause of the delay as well as information concerning the projected length of the delay.

14. **Governing Law.** This Agreement was entered into in the State of Ohio, and all aspects of this Agreement shall be governed by the laws of the State of Ohio.
15. **Construction.** Whenever used in this Agreement, the singular shall be construed to include the plural, the plural the singular, and the use of any gender shall be construed to include and be applicable to all genders as the context shall warrant.
16. **Interpretation.** Both Parties have prepared this Agreement with the assistance of counsel. Therefore, any uncertainty or ambiguity existing in this Agreement will not be interpreted against either Party, but will instead be interpreted according to the application of rules of contract interpretation generally.
17. **Time is of the Essence.** The Parties agree time is of the essence under this Agreement.
18. **Authority.** The Parties represent that the individuals signing on behalf of each has the authority to execute this Agreement and bind the respective Party to the obligations contained within this Agreement.
19. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts or duplicate signature pages with the same force and effect as if all required signatures were contained in a single, original document. Any one or more such counterparts or duplicate signature pages may be removed from any one or more original copies of this Agreement and annexed to other counterparts or duplicate signature pages to form a completely executed original Agreement.
20. **Entire Agreement.** This Agreement contains the entire agreement of the Parties relating to the transaction contemplated between them. All prior contemporaneous agreements, understandings, representations, warranties and statements (whether oral or written), are merged herein.

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Signature Page Follows

In Witness Whereof, the Parties agree to be bound by the terms of this Agreement and have caused this Agreement to be duly executed on the dates set forth below:

The City of Parma, Ohio

By: _____


Approved as to form only:

Its: _____

Timothy G. Dobeck
Law Director, City of Parma

Date: _____

Parma Wellness Center, LLC

By:  _____

Its: _____

Date: 9/26/22