

**Corporation of the Municipality of West Grey**

**By-law Number 54 - 2018**

**Being**, A by-law to enter into a Memorandum of Understanding between The Municipality of West Grey and CannAssist Group Inc. ("CGI");

**Whereas**, Section 8 (1) of the Municipal Act, S.O. 2001, as amended, states "The powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues";

**And whereas**, the Council of the Municipality of West Grey deems it expedient and in the public interest to enter into the aforementioned Agreement

**Now therefore the Council of the Corporation of the Municipality of West Grey hereby enacts as follows:**

1. That Council hereby authorizes the Mayor and CAO/Deputy Clerk to sign the Memorandum of Understanding between The Municipality of West Grey and CannAssist Group Inc. ("CGI"), attached as Schedule "A" and forming part of this by-law.
2. That this by-law shall come into force and effect on the date of passing thereof.

Read a first and second time this 7<sup>th</sup> day of May, 2018.

Read a third time and finally passed this 7<sup>th</sup> day of May, 2018.

\_\_\_\_\_  
(Signed)  
Kevin Eccles, Mayor

\_\_\_\_\_  
(Signed)  
Mark Turner, Clerk

**Schedule “A” to By-law Number 53 - 2018**

**Municipality of**



**Memorandum of Understanding – Municipality  
of West Grey and CannAssist Group Inc. (“CGI”)**

## **Memorandum of Understanding**

**May 7, 2018**

Between

**The Corporation of the Municipality of West Grey ("Municipality of West Grey")**

and

**CannAssist Group Inc. ("CGI")**

This Memorandum of Understanding (MOU) sets forth the terms and understandings between the named parties.

Whereas CGI is on the verge of receiving a license from Health Canada under which it will be entitled to commercialize the sale of Marijuana products (the "Project").

And whereas the Municipality of West Grey wishes to enter into a mutually beneficial relationship with CGI to participate in the Project while at the same time promoting economic development within the Municipality of West Grey and the creation of new jobs for local residents.

### **Background**

The CGI application to Health Canada has received Health Canada Confirmation of Readiness approval for its first site which is to be located in Kapuskasing, Ontario. CannAssist Group Inc, with the approval of the Municipality of West Grey will complete and submit an application to Health Canada for a production facility to be located in the Municipality of West Grey upon the signing of this Memorandum of Understanding. With the legalization of recreational marijuana approaching fast, Canadian regulators understand the urgency to make available a ready supply of products under the new guidelines to supply Marijuana for medicinal and recreational purposes that will meet with regulatory guidelines and controls. CGI and the Municipality of West Grey are perfectly positioned to become a major player in the supply chain for Marijuana products.

The Municipality of West Grey understands the positive economic impact that becoming a major producer and distributor will have on its community.

### **Purpose**

The primary purpose of this Memorandum of Understanding (MOU) is to ensure the communication and coordination necessary to implement this economic development project as agreed upon by the parties. This MOU does not represent a commitment on behalf of either party to pursue any additional projects or partnerships. Future projects may require subsequent agreements between the parties and may be subject to Council approval.

**Process**

This purpose will be accomplished through the following process:

The Municipality of West Grey will provide, as and when required by CGI, fully serviced land (including water, septic and electricity) at whatever location is mutually agreed upon, within the Municipality of West Grey for the construction of a medical marijuana production facility.

The Municipality of West Grey agrees that it will provide support exclusively to CGI in the marijuana production sector.

CGI will be responsible for all aspects related to developing and commercializing the Project.

In consideration for its contribution, as described above, the Municipality of West Grey will receive a 5% interest in a limited partnership to be formed to develop the Project and carry on its business (the "LP"). Specifically, the Municipality of West Grey will be granted a 5% interest in CannAssist – West Grey LP.

**Funding**

This MOU is not a commitment of funds to either party on behalf of the other party. When funding is needed by either party to pursue an agreed upon project, then the expectation is that the funding may be pursued by one party with the endorsement and support of the other.

**Duration**

This MOU is at-will and may be modified by mutual consent of authorized officials from the Municipality of West Grey and CGI as discussed and agreed to by both parties. This MOU shall become effective upon signature by the appropriate parties representing the Municipality of West Grey and CGI

The parties acknowledge and agree that this MOU does not create any binding obligation with respect to anything contained in this MOU unless and until a definitive limited partnership and a contribution agreement (the "LP Agreements") are executed and delivered and then only to the extent that such obligations are contained in the LP Agreements. None of the parties will have any obligation or liability to the other for expenses (or otherwise) incurred or to be incurred by the other in connection herewith. Notwithstanding the preceding, the Municipality of West Grey obligation to provide support exclusively to CGI in the marijuana production sector shall be binding on it, provided that if the LP Agreements are not entered into prior to June 1, 2019, the Municipality of West Grey shall be released from such obligation.

Date: MAY 7 2018  
Ken Coles

Signature: Mayor, Municipality of West Grey

Date: May 7 / 2018  
[Signature]

Signature: CAO/Deputy Clerk, Municipality of West Grey

Date: May 7, 2018  
[Signature]

Signature: Chief Executive Officer, CannAssist Group Inc.