

## HOST COMMUNITY AGREEMENT

### Between Town of Natick, Massachusetts and ReLeaf Alternative Natick, Inc.

This Host Community Agreement ("**Agreement**") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2021 (the "**Execution Date**"), by and between the Town of Natick, a Massachusetts municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, acting through its Select Board (the "**Select Board**") with an address of 13 E. Central Street, Natick, MA 01760 (the "**Town**"), and ReLeaf Alternative Natick, Inc., a Massachusetts Corporation, duly registered in the Commonwealth of Massachusetts, with a principal place of business of 323 Manley Street, West Bridgewater MA 02379 ("**RELEAF**") and, together with the Town, herein referred to as the "**Parties**," and each of them being individually referred to as a "**Party**").

WHEREAS, RELEAF wishes to establish and operate an adult use marijuana retail facility, pursuant to M.G.L. Chapters 94G and 94I, 935 CMR 500 *et. seq.*, 935 CMR 501 *et. seq.*, and 935 CMR 502 *et. seq.*, and any other successor law, and/or regulations (the "**Regulations**"), in accordance with all the laws of the Commonwealth of Massachusetts and Town and;

WHEREAS, if RELEAF receives a Final License (the "**FL**") from the Cannabis Control Commission (the "**CCC**") and receives all required local permits and approvals, RELEAF will have the authority to operate at 291 Worcester Street, Natick, Massachusetts (the "**Facility**");

WHEREAS, RELEAF acknowledges that the Facility will impact Town resources in ways unique to the business of Facility and draw upon Town resources in a manner not shared by the general population.

NOW THEREFORE, for good and valuable consideration, the Town and RELEAF agree as follows:

1. **Contingency**. The obligations of RELEAF and the Town recited herein are specifically contingent upon RELEAF 's commencement of operation of the Facility, except as otherwise specified herein. "Commencement of Operation" shall be defined to be the opening of the adult use cannabis retail establishment for retail sale to the general public, after all permits, licenses, approvals, expiration of all appeal periods, and final approval to open by all local and state authorities, including but not limited to the Massachusetts Cannabis Control Commission (the "**CCC**").

2. **Payments and Reimbursements**. RELEAF shall be responsible for all of the additional costs, payments and reimbursements set forth below.

- a. **Community Impact Fee**. The Parties acknowledge that the Town will incur additional expenses and impacts upon the Town. Accordingly, pursuant to G.L. c.94G, §3(d), in order to mitigate such impacts upon the Town and use of Town resources, upon Commencement of Operations, RELEAF shall provide as a payment to the Town a

community impact fee of three percent (3%) of gross annual revenue (the “**Community Impact Fee**”). RELEAF acknowledges and agrees that the Town is under no obligation to use the Community Impact Fee in any particular manner and while the purpose of these payments is to assist the Town in addressing impacts the Facility may have on the Town, the Town may expend the Community Impact Fee for any proper public purpose, as determined by Town Meeting, subject to M.G.L. c. 44, § 53 or in accordance with any other general or special law.

RELEAF agrees to prepay the first year of Community Impact Fee upon Commencement of Operations which gross revenue numbers shall be based on the sales generated in a similar facility operated by RELEAF in the Town of Mansfield, Massachusetts during the twelve-month period immediately preceding the date on which the Facility opens to the public for retail sales. Said prepayment shall be made within ten days of the date the Facility opens to the public for retail sales. Upon determination of the actual sales for the first year in Natick, there shall be a full reconciliation by the parties of the first years’ actual impact fee due to the Town of Natick. To the extent RELEAF is determined to owe more at the conclusion of the reconciliation period, it shall make said payment within sixty (60) days of said determination. To the extent RELEAF is determined to have overpaid, the amount of such overpayment shall be credited against its next Community Impact Fee payment.

Thereafter, RELEAF shall pay the Community Impact Fee quarterly, on or before January 31, April 30, July 31, and October 31 of each year for the quarter preceding each such date. The first such quarterly payment shall be made on the second such date occurring after the first anniversary of RELEAF’s Commencement of Operations, and such payment shall include the Community Impact Fee for the immediately preceding quarter and any portion of the prior quarter following the first anniversary of RELEAF’s Commencement of Operations.

The Community Impact Fee is designed so that it shall be reasonably related to the actual or anticipated costs imposed upon the Town as a result of the operation of the Facility. The parties recognize and agree that it is inherently difficult to fully identify, evaluate and quantify the impacts to the Town of the Facility, and that the Community Impact Fee is a fair and reasonable estimation of such impacts. Therefore, the Parties expressly agree that the Community Impact Fee is reasonably related to the costs that will be imposed upon the Town as a result of operation of the Facility.

- b. Local Excise Tax. The Parties acknowledge that the Town has imposed a local sales tax upon the sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the Town, pursuant to the provisions of G.L. c. 64N. Accordingly, RELEAF, as required by applicable law, shall remit to the Massachusetts Department of Revenue the excise tax rate determined by the Commonwealth of Massachusetts for the sale of adult-use marijuana and adult-use marijuana-infused products, currently at 3.0% of gross annual sales. Pursuant to G.L. c. 64N, §3, the excise taxes received by the Department of Revenue “shall at least quarterly be distributed, credited and paid [to the Town] by the state treasurer”. Nothing herein shall limit the ability of the Town to

adjust the local sales tax in the future, should the law be amended to allow for an increase in such allowable sales tax.

- c. Community Contributions. RELEAF agrees that it will make annual contributions to Town and private non-profit charitable causes based in the Town (the “**Community Contributions**”). The first year of Community Contributions shall be made on or before the first anniversary of the Commencement of Operations at the Facility and shall total One Hundred Thousand Dollars (\$100,000). Subsequent annual Community Contributions shall be made on or before each ensuing anniversary of the commencement of retail sales at the Facility. The Community Contributions shall be donated at the discretion of RELEAF to Town and non-profit charitable causes based in Natick. RELEAF shall make a good faith effort to provide Community Contributions to charities which have a primary focus on public health, education and substance abuse treatment and prevention. If, in any given year, RELEAF is unable to identify charities with a focus on public health, education or substance abuse treatment and prevention, to which to make the Community Contributions, it shall apprise the Town of all efforts taken to do so and shall inform the Town of the charities to which it intends to make the Community Contributions for that year.
- d. Property Taxes. RELEAF agrees that all real and personal property taxes owing for the properties at which the Facility operates which are the responsibility of RELEAF will be paid when due. Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by RELEAF is determined to be non-taxable or partially non-taxable, 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 RELEAF 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 RELEAF shall pay to the Town 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. Notwithstanding anything herein to the contrary, nothing in this agreement shall prohibit RELEAF from challenging the fair cash value of real and personal property, as assessed by Town, pursuant to an abatement application or otherwise.
- e. Permit and Connection Fees. RELEAF hereby acknowledges and agrees to pay the usual and customary building permit and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
- f. Facility-Related Consulting Fees and Costs. RELEAF shall reimburse the Town for any and all customary consulting costs and fees, including without limitation, reasonable attorneys’ fees, related to any land use applications concerning the Facility, negotiation of this and any other related agreements, or otherwise incurred in relation to or concerning the Facility, including planning, engineering, and any related reasonable disbursements customarily charged to other businesses.

- g. Late Payments. All payments due under this HCA by RELEAF shall be payable to the Town of Natick and delivered in a timely fashion to the Town. RELEAF acknowledges that time is of the essence with respect to performance of its payment obligations hereunder and that payments made ten (10) business days or more after they are due shall be subject to interest at the rates prescribed by M.G.L. 59, §57.

3. Annual Reporting. RELEAF shall submit an annual written report to the Select Board within thirty (30) days after the payment of the Community Impact Fee with a certification of: (1) its annual sales; and (2) its compliance with all other requirements of this HCA. During the term of this HCA, RELEAF shall, upon request of the Town, appear at a meeting of Select Board to review compliance with the terms of this HCA. Such meeting shall occur no later than thirty (30) days following written notice from the Town, unless the Parties mutually agree upon an alternative date.

RELEAF shall maintain books, financial records, and other compilations of data pertaining to the requirements of this HCA in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as is required by the CCC and Department of Revenue for purposes of obtaining and maintaining an adult-use retail marijuana license for the Facility.

4. Term. The term of this Agreement shall be for five (5) years, commencing upon RELEAF's first payment of the Community Impact Fee, unless sooner terminated as follows:

- a. This Agreement shall terminate immediately if the CCC revokes or fails to renew for any reason RELEAF's FL to operate the Facility in the Town, subject to any applicable cure periods or appeal by RELEAF of such revocation or non-renewal.
- b. The Town may terminate this Agreement for cause by providing written notice and an opportunity to be heard to RELEAF in the event that: (i) RELEAF with willful or gross negligence violates any laws of the Town or the Commonwealth with respect to the operation of the FACILITY, and such violation remains uncured for sixty (60) days following the Town's issuance to RELEAF of written notice of such violation; (ii) RELEAF fails to make payments to the Town as required under this Agreement, and such failure remains uncured for ten (10) days following the Town's issuance to RELEAF of written notice of such violation; or (iii) there is any other material breach of the Agreement by RELEAF, which material breach remains uncured for sixty (60) days following the Town's issuance to RELEAF of written notice of such violation. Notwithstanding anything herein, no action shall be taken against RELEAF without written notice, an opportunity to be heard and to the extent it is determined that RELEAF is not at fault or if said matter involves a pending unadjudicated violation with the CCC or if said adjudication is pending appeal.

- c. This Agreement after a show cause hearing before the Select Board may terminate if RELEAF is deemed to have ceased to operate the Facility in the Town for a period of three (3) months or more, except for good cause, including but not limited to any act of God, fire, flood, severe weather, earthquake, strike, or other labor problem not caused by the employees of either party, terrorism, war, governmental actions (including but not limited to government shutdowns), civil disturbances, pandemics, epidemics, quarantines or other health crises, and shortages of labor or materials as a result of any of the foregoing.
- d. At the conclusion of the five-year term set forth above, the Parties may agree upon an extension of this HCA or may commence to negotiate in good faith the terms of a new HCA. Under no circumstances shall the Facility be in operation without an operative HCA voluntarily entered into by the Town. Notwithstanding anything herein, to the extent RELEAF is acting in good faith in negotiating a HCA, the Town shall grant a sixty (60) day extension to continue to operate the Facility execution of a new HCA, during which extension period the terms of this initial HCA shall apply.

5. **Diversion Plan.** RELEAF will comply with regulations at 935 CMR 500.100 and 500.102. In cooperation with, and to the extent requested by, the Town's Police Department, and consistent with 935 CMR 500, RELEAF shall work with the Town's Police Department to implement a comprehensive diversion prevention plan to prevent diversion of marijuana and marijuana products to ineligible users, a form of which plan is to be approved by the Police Department and in place prior to the Commencement of Operation of the Facility by RELEAF. Such plan shall include, but not be limited to, (i) training Facility employees to be aware of, observe, and report any unusual behavior in visitors or other Facility employees that may indicate the potential for diversion; and (ii) utilizing seed-to-sale tracking software to closely track all inventory at the Facility .

6. **Security.** RELEAF shall comply with the CCC's security regulations set forth in 935 CMR 500.110. To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, RELEAF shall work with Town's Police Department in reviewing and approving all security plans prior to implementation and Commencement of Operations. RELEAF agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures to ensure that the marijuana and marijuana products in the Facility are not being transferred to the illegal market or to minors. To the extent permitted by law and by the CCC's security regulations, RELEAF shall provide the Town's Police Department with real time access to the feed from security cameras at the Facility upon request.

RELEAF agrees and acknowledges that annual inspections of the Facility by the Town's Police Department, Town's Fire Department, Building Department and Board of Health shall be a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and

unscheduled inspections of the Facility. The Town understands and agrees that entry to the facility must be on an “escorted access only” basis, as set forth in 935CMR 500.110(4) in any designated limited access area. The Town shall be responsible for requesting said annual inspections from each department.

7. **On-site Consumption.** The consumption of marijuana on the site of the Facility operated by RELEAF shall be prohibited at all times.

8. **Application Support.** The Town agrees to cooperate and timely submit to the CCC the required certifications relating to the RELEAF’s application for a license to operate the Facility where such compliance has been properly met. The Town shall not make any representation or promise that it will act in any particular way other than by the Town’s normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them. At the time of signing this HCA, the Parties agree to execute the HCA Certification form attached as Exhibit A for submission to the CCC.

9. **Local Boards.** This Agreement does not affect, limit, or control the authority of Town boards, commissions and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments, or to enforce said statutes, Bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary of the FACILITY to operate in the Town, or to refrain from enforcement action against RELEAF and/or its FACILITY for violation of the terms of said permits and approvals or said statutes, Bylaws and regulations. RELEAF acknowledges that it may be required to pay the reasonable and customary costs of the employment by Town boards and officials of outside consultants, including without limitation engineers, architects, scientists and attorneys in connection with the review of any application or request for such local permits required to operate the Facility. RELEAF further acknowledges that it has proposed the location of off-site parking at property located at 381 Worcester Street and that the Planning Board may request additional information regarding such property and the proposed use thereof for off-site parking for the Facility and may condition any special permit for the Facility upon the provision of such off-site parking. It shall be RELEAF’s responsibility to ensure that it has or obtains site control of such property sufficient to comply with any such conditions.

10. **Local Vendors and Hiring.** To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, RELEAF shall make best efforts in a legal and non-discriminatory manner to give priority to Town businesses, suppliers, contractors, builders and vendors located in the Town in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility and to hire Town residents for jobs in and related to the Facility. Such efforts shall include actively soliciting bids from Town vendors through local advertisements and direct contact, to the greatest extent possible, advertising any job expansion or hiring of new employees first to Town residents. RELEAF shall give Natick residents an employment preference to the fullest extent allowed by law. Such preference shall be conspicuously referenced in all employment

advertisements and literature issued by RELEAF. RELEAF also agrees to make best efforts to utilize women-owned and minority-owned vendors within the Town and the region.

Thirty days after opening, and annually thereafter, if requested RELEAF shall provide to the Town a hiring report. Said report shall include the full and part-time employment levels for the Facility as of the beginning of each month during the reporting period and the proportion of Town residents in each category of employment. RELEAF shall furnish the Town with such further information and documentation as the Town may reasonably request to support and document compliance with this HCA.

11. **Notice.** Any and all notices, consents, demands, requests, approvals, or other communications required or permitted under this Agreement shall be deemed to be received by the intended recipient (a) when delivered personally, (b) by the day following delivery to a nationally recognized overnight courier service with proof of delivery, or (c) three (3) days after mailing by U.S. Postal Service certified mail, postage prepaid with return receipt requested. Notice to RELEAF shall be delivered to the following address: 323 Manley Street, West Bridgewater MA 02379 with copy to Frank Sciacca Esq., Medici & Sciacca P.C. 1312 Atwood Avenue, Johnston, Rhode Island 02919. Notice to the Town shall be delivered to the following address: 13 E. Central Street, Natick, MA 01760, with copy to Jonathan M. Silverstein, KP Law, PC, 101 Arch Street, 12<sup>th</sup> Floor, Boston, MA 02110.

12. **Indemnification.** Excluding any Claims (as herein defined) caused by the gross negligence or willful misconduct of the Town, RELEAF shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings, subpoenas, document requests and/or costs and expenses, including attorney's fees (collectively, the "Claims"), brought against or initiated as to the Town, its agents, departments, officials, employees, insurers and/or successors, by any third party, including any private or public entity, arising from or relating to the this HCA and/or the Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and consultants of the Town's choosing incurred in defending or responding to such Claims. RELEAF agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself from or responding to such Claims.

13. **No Waiver.** The failure of any party to strictly enforce the provisions hereof shall not be construed as a waiver of any obligation hereunder. This HCA can be modified only in a written instrument signed by the Select Board and RELEAF.

14. **Amendments.** This Agreement may only be amended by a written document duly executed by both Parties.

15. **Entire Agreement.** This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Town and RELEAF with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the Parties hereto.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to conflict of laws principles.

17. **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 under this Agreement.

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

19. **Binding Effect.** This Agreement is binding upon the Parties hereto, their successors, assigns and legal representatives. Neither the Town nor RELEAF shall assign, sublet or otherwise transfer any interest in the Agreement without the written consent of the other party. RELEAF 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 of the Town, and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town, which is not to be unreasonably withheld.

20. **Counterparts; Signatures.** This Agreement may be signed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement. The Parties hereto and all third parties may rely upon copies of signatures to this Agreement to the same extent as manually signed original signatures.

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

TOWN OF Natick

Releaf Alternative Natick Inc. , Inc

By: Its Select Board

By: \_\_\_\_\_  
Kerri Bourne

Its President

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EXHIBIT A