

From: Genereux, David <genereuxd@leicesterma.org>
Sent: Thursday, April 11, 2019 8:16 AM
To: 'Hilliard, John' <john.hilliard@globe.com>; Davis, Debbie <Davisd@leicesterma.org>
Subject: RE: Boston Globe / request for community host agreements

Good Morning, Mr. Hilliard,

Attached are the executed copies of the Town's active host community agreements. The last attachment has been voted, but is in WORD form because we are awaited executed copies being returned by the principals of the company. Please let me know if I can be of further assistance.

Regards,

David A. Genereux

David A. Genereux
Town Administrator
Town of Leicester
3 Washburn Square
Leicester, MA 01524
Telephone: (508) 892-7000
Fax: (508) 892-7070
Email: genereuxd@leicesterma.org

"Please remember that the Secretary of State has determined that email is a public record"

From: Hilliard, John [<mailto:john.hilliard@globe.com>]
Sent: Wednesday, April 10, 2019 8:30 PM
To: Genereux, David <genereuxd@leicesterma.org>; Davis, Debbie <Davisd@leicesterma.org>
Subject: Boston Globe / request for community host agreements

Good evening, Mr. Genereux -- Hope you are well. I'm John Hilliard, a reporter with the Boston Globe.

I am seeking access to any community host agreements between the town of Leicester and marijuana establishments.

Any help would be appreciated -- Thank you, John

**TOWN OF LEICESTER
AND
CULTIVATE HOLDINGS LLC**

**HOST COMMUNITY AGREEMENT
FOR THE SITING OF AN ADULT-USE MARIJUANA ESTABLISHMENT
IN THE TOWN OF LEICESTER**

This Host Community Agreement (“Agreement”) is entered into pursuant to M.G.L. 94G, § 3(5)(d) this 2nd day of April, 2018 by and between **Cultivate Holdings LLC (f/k/a Natural Healthcare, Inc.)** (the “**Operator**”) a Massachusetts limited liability company, currently located at 1764 Main Street Leicester, MA (the “**Property**”) and the **Town of Leicester**, a Massachusetts municipal corporation with a principal address of 3 Washburn Square, Leicester, MA 01524 (the “**Town**”).

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court’s revised law on the subject, “An Act to Ensure Safe Access to Marijuana” adopted as Chapter 55 of the Acts of 2017 (the “**Act**”); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (the “**CCC**”) implemented regulatory framework for the regulation of adult use of marijuana establishments through 935 CMR 500.000 *et. seq.* (the “**CCC Regulations**”); and

WHEREAS, A “Marijuana Establishment” as defined in the CCC Regulations, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center; and

WHEREAS, Operator wishes to locate and operate a “Marijuana Establishment”, meaning specifically, a Marijuana Retailer, Marijuana Product Manufacturer, and Marijuana Cultivator (collectively, the Marijuana Retailer, Marijuana Product Manufacturer and Marijuana Cultivator shall be hereinafter referred to as the “**Facility**”) at the Property in accordance with CCC Regulations and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable regulations in effect at the time the Operator files its application with the CCC; and

WHEREAS, Operator currently operates a compliant Medical Marijuana Treatment Center at the Property pursuant to an approval from the Massachusetts Department of Public Health

("DPH") pursuant to 105 CMR 725.00, dated November 24, 2017 and in compliance with the Host Community Agreement for the Siting of A Medical Marijuana Treatment Center in the Town of Leicester, dated December 19, 2016, by and between Operator and Town; and

WHEREAS, Operator will satisfy the purpose and intent of the voters and the Act by providing marijuana for adult use, educational materials and related products to citizens of the Town and throughout the Commonwealth of Massachusetts; and

WHEREAS, Operator intends to provide certain benefits to the Town upon receipt of CCC licensure to operate a Facility in Town and all required local approvals to do so; and

WHEREAS, notwithstanding the anticipated benefits to certain members of the community, the Operator and the Town agree that the Facility will impact Town resources in ways unique to the business of the Facility and will draw upon Town resources such as Town's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and may cause additional unforeseen impacts upon the Town; and

WHEREAS, Massachusetts General Laws chapter 94G, § 5 (d) states "that a marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center. An agreement between a marijuana establishment or a medical marijuana treatment center and a host community may include a community impact fee for the host community; provided, said impact fee shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or medical marijuana treatment center or be effective for longer than 5 years.

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the Operator and the Town agree as follows:

1. **Compliance:** Operator and Town shall comply with all applicable provisions of M.G.L. c. 94G, as affected by Chapter 55 of the Acts of 2017 and the CCC Regulations as the same may be amended from time to time; and the Leicester General Bylaws, Zoning Bylaws and all laws, rules, regulations and orders applicable to the operation of a Marijuana Establishment in the Town, such provisions being incorporated herein by reference, and Operator shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of a Marijuana Establishment.
2. **Community Impact Fee:** Operator shall pay a community impact fee as required by M.G.L. c. 94G, § 5 (d) (the "**Impact Fee**") in the amounts and under the terms provided herein. The

Operator shall furnish the Town with annual Profit and Loss Statements, as soon as they become available, reflecting Gross Annual Revenues (as defined herein) figures for the adult use Marijuana Retailer portion of the Facility located within the Town. Additionally, the Operator shall provide the Town with copies of all of its periodic financial filings with agencies of the Commonwealth documenting Gross Annual Revenues.

3. Application of Impact Fee: The Operator acknowledges and agrees that the Town is under no obligation to use the Impact Fee payments made hereunder in any particular manner and that the payments are classified as General Fund under M.G.L. c. 44, § 53.
4. Calculation of Impact Fee Payments: Subject to adjustment or modification as set forth in this Agreement, Operator shall pay to the Town 3.00% of the Operator's Gross Annual Revenues as the Impact Fee; provided, that the total amount paid per year shall not be less than Seventy-Five Thousand and 00/100 Dollars (\$75,000.00)(the "**Minimum Annual Payment**"); and shall not exceed Two-Hundred and Fifty Thousand and 00/100 Dollars (\$250,000) (the "**Maximum Annual Payment**").
5. Dates of Payment: The Minimum Annual Payment for the first year shall be due and payable upon the first day of the third month following the commencement of adult use Marijuana Retail sales in the Town (the "**Sales Commencement Date**"). It shall be made in a separate payment to the Town and shall be used by the Town for economic development and recreational programs. Future payments of the minimum annual payment shall be made on the anniversary of the sales commencement date. Any payments due over the balances of the impact fee (if any) shall be made on the anniversary of the sales commencement date. The Balance of the first years Impact Fee (if any), and the entire Impact Fee in successive years shall be made once annually as of the last day of the month prior to the anniversary of the Sales Commencement date, and no later than thirty (30) days following the anniversary of the Sales Commencement Date, through the earlier of either the end of the fifth year of operation following the Sales Commencement Date; or the maximum time permitted under M.G.L. c. 94G, § 3(5)(d) (each an "**Annual Payment**" and collectively the "**Annual Payments**"). The Operator shall notify the Town in writing when the Operator commences sales within the Town.
6. Gross Annual Revenues: The term "**Gross Annual Revenues**" shall mean the grand total of all of the Operator's sales of marijuana for adult use at the Facility, less promotional discounts on products offered to customers, to the extent that such discounts or products are permitted by law or the CCC Regulations, but shall not include non-marijuana sales, sales of medical marijuana or medical marijuana products, or the sale of marijuana to other Marijuana Establishments or Registered Marijuana Dispensaries.
7. Amendment of Impact Fee Payment Date: At the option of the Operator, the payment date may be amended once, by written request, to align with the Operator's fiscal year or quarterly tax filing obligations for ease of administration, but such amendment shall not change the total amount due.

8. Annual Review of Impact Fee: Notwithstanding anything to the contrary herein, every year after the Sales Commencement Date the Town and Operator shall jointly review the Impact Fee and may increase or decrease the Annual Payment (as the case may be) but in no event shall the Annual Payment exceed three percent (3%) of the Operator's Gross Annual Revenues.
9. Monitoring of Community Impacts: The Operator shall evaluate and monitor crime statistics, fire protection services, public health statistics including but not limited to marijuana usage in the Leicester High School, inspectional services and permitting services in conjunction with and with the reasonable cooperation of the appropriate municipal office before and after the Sales Commencement Date and shall provide this information to the Town. The Operator and the Town agree that any increase or decrease in the Impact Fee shall be based on the escalation of the aforementioned services in the area immediately surrounding the Facility, at a rate in excess of Town-wide escalation, unless mutually agreed upon by the Operator and the Town.
10. Filings with the Commonwealth: The Operator shall furnish the Town with the annual reports of the Gross Annual Revenue as described in Section 6, as soon as they become available, reflecting Gross Annual Revenue figures for the Facility and shall provide the Town with all copies of its periodic financial filings to the CCC and/or to the Massachusetts Department of Revenue documenting the Operator's Gross Annual Revenues, and shall furnish copies of its filings to the Secretary of the Commonwealth's Corporations Division, and if any, to the Massachusetts Office of the Attorney General.
11. Term: The term of this Agreement is five years, terminating on the fifth anniversary of the Sales Commencement Date, unless sooner terminated by:
 - a. revocation of Operator's license by the CCC; or
 - b. Operator's voluntary or involuntary cessation of operations; or
 - c. the Town's termination of this Agreement for breach of the conditions contained herein that remain uncured sixty (60) days from the date of written notice of such breach.
12. Renegotiation/Applicability: To the extent permitted by law: (a) the terms of this Agreement shall be renegotiated by the Owner and the Town in good faith following five (5) years of continuous operation of the Facility; and (b) the terms of this Agreement shall continue in full force and effect unless the parties reach accord on a subsequent agreement provided, however, that in no event shall the Operator be permitted to continue to operate the Facility after termination as set forth in Paragraph 11 above.
13. Property Valuation/Taxation: Operator shall not object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, if:

- a. any real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, or
- b. the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or
- c. OPERATOR 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

OPERATOR 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 full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the Impact Fee made by OPERATOR under this Agreement. The Operator shall not request any tax credits or subsidy from the Town for the Facility including, but not limited to, any request for a tax exemption or abatement as a non-profit entity and shall not object or otherwise challenge the taxability of its entity and shall not object or otherwise challenge the taxability of the Facility.

14. Impact Fee as Compensatory: The Impact Fee referenced herein shall be compensatory to the Town for all impacts of the Operator's operation of the Facility in the Town, including all reasonable indirect costs. Nothing herein shall be construed to exempt the Facility from payment of local, state and federal taxes.
15. Local Hiring: To the extent permissible by law, Operator will make jobs available to local, qualified residents; and such residency will be a positive factor in hiring decisions, but this does not prevent Operator from hiring the most qualified candidates and complying with all employment laws and other legal requirements. In addition to the direct hiring, Operator will work in a good faith, legal and non-discriminatory manner to similarly consider local status of vendors, suppliers, contractors and builders from the Town area to be a positive factor in retaining such vendors.
16. Approval of On-Site Manager: If requested by the Town, Operator shall provide to the Town, for review and approval, the information set forth in 935 CMR 500.101(1)(b), of the person proposed to act as on-site manager of the Facility, which submittal shall include authorization to perform a criminal history (CORI) check. Within thirty (30) days of its receipt of the information set forth in 935 CMR.500.101(1)(b), the Town shall, in consultation with the Police Chief determine whether the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied if the Town denies such approval and the CCC has approved said on-site manager pursuant to the Regulations. Notwithstanding the foregoing, if Town does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, that on-site manager of the Facility shall be deemed approved by Town. This approval process shall also apply to any change of on-site manager. The current on-site manager is Samuel Barber, and he shall be approved as part of this Agreement.

17. Prevention of Diversion: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Sales Commencement Date. Such plan will include, but is not limited to, (i) training Facility employees to be aware of, observe, and report any unusual behavior in customers or Facility employees that may indicate the potential for diversion; (ii) strictly adhering to CCC Regulations as to certification amounts and time periods; (iii) rigorous customer identification and verification procedures required by the CCC; (iv) utilizing seed-to-sale tracking software to closely track all inventory at the Facility; and (v) refusing to complete a transaction if the patient or caregiver appears to be under the influence of drugs or alcohol.
18. Security: To the extent requested by the Town's Police Department and Fire Department, and consistent with the Regulations, Operator shall work with the Town's Police Department and the Town's Fire Department to determine the placement of interior and exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the Facility is located. Operator will maintain a cooperative relationship with the Police Department and the Fire Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on or in the immediate vicinity of the site. Such camera(s) may be altered by the CCC during their security and architectural review process.
19. Attendants: If the Leicester Police Chief deems it necessary, Operator shall employ: (i) a parking lot attendant during the Police Chief's prescribed hours to ensure safe traffic flow to and from the Premises until the Police Chief deems such attention is not needed; and (ii) a police detail to ensure safe traffic flow to and from the Premises during the Police Chief's prescribed hours, until the Police Chief deems such attention is not needed.
20. Registration and Approvals Required: The obligations of Operator and the Town recited herein are specifically contingent upon the obtaining of a Certificate of Registration for the operation of an adult use Marijuana Establishment from the CCC to operate in Town, and contingent upon all necessary local permits and approvals required, which are consistent with M.G. L. c. 94G, Section 5 and in effect as of the date specifically required by said section.
21. On-Site Consumption: The on-site consumption of marijuana products shall be prohibited.
22. Cooperation: Operator shall work cooperatively and in good faith with the Town in securing the prompt and efficient siting, planning, permitting and preparation for opening of the Facility. Furthermore, Town shall recognize Operator's Existing RMD License Priority Applicant status under 935 CMR 500.101 (2). 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 for the Facility to operate in the Town, or to refrain from enforcement action against the Operator and/or its Facility for violation of the terms of said permits and approvals or said statutes, Bylaws and regulations.

23. Modification of Payments: Both the Operator and the Town understand and agree that a Marijuana Cultivator, Marijuana Retailer and Marijuana Product Manufacturer together have a distinct and separate impact on a municipality and justify a difference in Host Community Agreement terms. Should Operator enter into an agreement with any other municipality for the siting of a combined Marijuana Cultivator, Marijuana Retailer and Marijuana Product Manufacturer at terms materially more favorable to that municipality than the terms of this Agreement are to Town, this Agreement shall be modified to reflect those terms. Notwithstanding the foregoing, should Operator enter into an agreement with any other municipality for the purpose of operating one or more Marijuana Establishments that do not combine a Marijuana Cultivator, Marijuana Retailer and Marijuana Product Manufacturer this Agreement shall not be modified.
24. Location; Additional Operations: This Agreement applies to the proposed Marijuana Cultivator, Marijuana Retailer and Marijuana Product Manufacturer to be located at 1764 Main Street, Leicester. This agreement will remain in force should the Operator chose to move or transfer operations to a different location within the Town. Should the Operator and the Town agree to allow the Operator to site another facility within the Town, the Operator and the Town shall agree to negotiate an additional agreement.
25. Assignment: Neither the Town nor the Operator shall 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 other party, which consent shall not be unreasonably withheld; provided however such consent shall not be required in the event such transfer or assignment is between the Operator and another entity which is authorized by the CCC to operate the Facility pursuant to a Certificate of Registration granted by it, or if such assignment or transfer is the result of a merger or consolidation with the Operator.
26. Agreement as to Agricultural Exemption: Operator agrees to comply with all laws, rules, regulations and orders applicable to the Facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits and approvals required for the operation of an Facility. The Operator agrees not to assert or seek exemption as an agricultural use under the provisions of from the requirements of the Town's Zoning Bylaws pursuant to M.G. L. c. 40A, § 3.
27. Retention of Regulatory Authority: By entering into this Agreement, Town does not waive any enforcement rights or regulatory authority it currently holds over any business in Town.


28. Notices: Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 of this Agreement or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.
29. Severability: If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
30. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
31. Entire Agreement: This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.
32. Confidentiality: Operator may provide to the Town certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "**Confidential Information**"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or law (pursuant to M.G.L. c. 66 § 10), provided in all events, prior to such disclosure, the Town will notify Operator in writing of its intent to make such disclosure at least three (3) days in advance of any disclosure.
33. Waiver: The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.

34. Third Parties: Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either Town or the Operator.
35. Amendment: This Agreement may only be amended by a written document duly executed by both of the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the Town and the Operator.
36. Modifications: Modifications to this Agreement may only be effective if made in writing and signed by both of the parties hereto.
37. Headings: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.
38. Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
39. Signatures: Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

[SIGNATURES TO FOLLOW]

The following signature indicate that the parties hereby agree to the terms set forth in this Agreement as per the date set forth on page 1 of this Agreement.

For the Town of Leicester, Massachusetts:

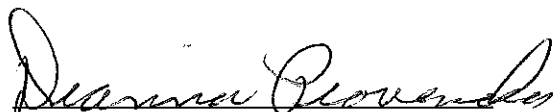


Harry Brooks
Chair

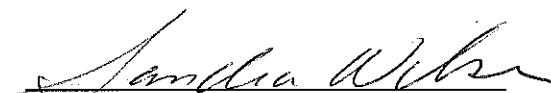
For Cultivate Holdings LLC:



By: Sam Barber,
Its: Manager




Dianna Provencher
Vice Chair



Sandra Wilson
Second Vice Chair



Douglas Belanger
Member



Brian Green
Member

Approved as to Form:

Christopher J. Petrini, Town Counsel

2018.03.22 DRAFT Proposed Leicester and Cultivate Host Community Agreement (ADULT USE) TC comments-CLEAN (1206-01)

**HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENTS
BETWEEN CANNASSIST, LLC AND
THE TOWN OF LEICESTER, MASSACHUSETTS**

This HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENTS (“Agreement”) is entered into pursuant to M.G.L. c. 94G, §3(d) on this 15th day of May, 2018 by and between **CANNASSIST, LLC**, a Massachusetts limited liability corporation with a principal office address of 2131 Washington Street Boston, MA 02119 (“OPERATOR”) and the **TOWN OF LEICESTER**, a Massachusetts town with a principal address of 3 Washburn Sq. Leicester, MA 01524, by and through its Town Administrator (“TOWN”).

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court’s revised law on the subject, “An Act to Ensure Safe Access to Marijuana” adopted as Chapter 55 of the Acts of 2017 (the “Act”); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (the “CCC”) implemented regulatory framework for the regulation of the adult use of marijuana establishments through 935 CMR 500.000 et. seq. on March 23, 2018 (the “CCC Regulations”); and

WHEREAS, A “marijuana establishment” as defined in the CCC Regulations and the Town of Leicester Zoning Bylaw, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center; and

WHEREAS, OPERATOR seeks licensure as a Marijuana Cultivator and Marijuana Products Manufacturer to locate marijuana and operate two marijuana establishments in the TOWN at 88 Huntoon Memorial Highway Leicester, MA 01524, in accordance with applicable CCC regulations and such approvals as may be issued by the TOWN in accordance with its Zoning Bylaw and other applicable regulations in effect at the time that the CCC deems that the OPERATOR’s application is complete; and

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN upon receipt of CCC licensure to operate its Marijuana Cultivator and Marijuana Products Manufacturer businesses in the TOWN and upon receipt of all required local approvals to do so; and

WHEREAS, OPERATOR and TOWN agree that the OPERATOR's Marijuana Cultivator and Marijuana Products Manufacturer businesses will impact TOWN resources in ways unique to such businesses and will draw upon TOWN resources such as TOWN's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and shall cause additional unforeseen impacts upon the TOWN; and

WHEREAS, M.G.L. c. 94G, §3 (d) requires "that a marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center"

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the OPERATOR and the TOWN agree as follows:

1. **Licensure:** All rights and obligations under this Agreement are expressly conditioned upon the OPERATOR's receipt of licenses from the CCC allowing the operation of its marijuana establishments within TOWN and upon OPERATOR's obtaining all local approvals for the same. If OPERATOR fails to secure licensure from the CCC or any required local approvals, this Agreement shall be null and void.
2. **Compliance and Cooperation:** OPERATOR shall comply with all state laws, regulations and orders applicable to marijuana establishments, and all municipal laws, bylaws, regulations and orders applicable to the operation of marijuana establishments in TOWN, such provisions being incorporated herein by reference.
 - a. OPERATOR shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of its marijuana establishments and shall work cooperatively and in good faith with the TOWN in securing the prompt and efficient siting, planning, permitting and preparation for opening of its marijuana establishments.
 - b. OPERATOR agrees and understands that the TOWN'S execution of this Agreement shall not: (i) require or obligate the TOWN or its departments or boards to issue such permits and approvals as may be necessary for the OPERATOR to operate its marijuana establishments in the TOWN; (ii) affect, limit, or control the authority of TOWN boards, commissions, councils, and departments from carrying out their respective powers and duties to decide upon

and to issue, deny, or otherwise act on applicable permits and other approvals under the laws and regulations of the Commonwealth, or the TOWN's bylaws and regulations; or (iii) cause the TOWN to refrain from enforcement action against the OPERATOR for violations of the terms and conditions of such permits and approvals, or such laws, regulations and/or bylaws.

3. **Community Impact Fee:** For each license issued to it by the CCC, i.e., one license as a Marijuana Cultivator and one license as Marijuana Products Manufacturer, the OPERATOR shall pay a community impact fee as allowed by M.G.L. c. 94G, § 5 (d) ("Impact Fee") in the amounts and under the terms provided herein. OPERATOR shall pay the sum of Seventy-Five Thousand and 00/100 (\$75,000.00) Dollars, due as follows:

- a. For the first year of this Agreement, upon receipt of Licensure as set forth in Paragraph 1 above, and prior to commencing operations, OPERATOR shall pay to the TOWN the sum of \$20,000 and shall pay the balance of \$55,000 no later than 90 days after OPERATOR's full fiscal year end, which is December 31 for the calendar year 2018.
- b. For the second through fifth years of this Agreement, OPERATOR shall pay to the TOWN the sum of \$75,000 no later than 90 days after OPERATOR's full fiscal year end.

As the OPERATOR is seeking two (2) licenses, the total annual Community Impact Fee shall be One Hundred Fifty Thousand and 00/100 Dollars (\$150,000).

4. **Application of Impact Fee:** OPERATOR expressly acknowledges and agrees that the TOWN is under no obligation to use the payments made hereunder in any particular manner and that the payments are classified as General Fund under M.G.L. c. c. 44, § 53.
5. **Payment as Condition of Operation, Default and Remedy.** Payment as set forth above is necessary for OPERATOR's continued operation in the TOWN. Failure to make the required payments as scheduled and a failure to cure the failure to pay within 10 days of the due date, shall constitute breach of this Agreement and may serve as cause for TOWN's immediate review, upon 10 business days' notice to OPERATOR by the Select Board. OPERATOR shall be in default of this Agreement if any of the following occur:
- a. OPERATOR fails to make the required payments pursuant to Paragraph 3 above, and such failure is not cured within ten (10) business days of written notification from TOWN; or
 - b. OPERATOR breaches any other provision of this Agreement, and such failure is not cured within thirty (30) days of written notification from TOWN

As remedy for any such breach, the TOWN may, among other remedies, revoke or limit the permission of the OPERATOR to operate in the TOWN and to issue an order to cease and desist with all operations upon such written notice from the TOWN. Payment means any payment paid from the OPERATOR to the TOWN pursuant to the terms of this Agreement.

6. **Reporting:** OPERATOR shall provide the TOWN with all copies of its publicly available filings to the Cannabis Control Commission, Secretary of the Commonwealth's Corporations Division, and the Massachusetts Department of Revenue, as requested.
7. **Confidentiality:** To the extent permitted by M.G.L. c. 66, § 10, (the "Public Records Law") OPERATOR may provide to the TOWN certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to OPERATOR, its affiliates and operations (collectively, the "Confidential Information"). TOWN (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or law. Further, the address of a marijuana establishment's cultivation or production facilities and any documents describing, depicting or otherwise outlining a licensee's security schematics or global positioning system coordinates, physical layout, as well as policies, procedures, practices, and plans pertaining to security are exempt from M.G.L. c. 66.
8. **Term:** The term of this Agreement is five years, terminating on May 15, 2023, unless sooner terminated by:
 - a. revocation of OPERATOR's license by the CCC; or
 - b. OPERATOR's voluntary or involuntary cessation of operations; or
 - c. the TOWN's termination of this Agreement for breach of the conditions contained herein that remain uncured 60 days from the date of notice of such breach.
9. **Renegotiation/Applicability:** The terms of this Agreement shall continue in full force and effect unless the parties reach accord on a subsequent agreement, provided, however, that in no event shall OPERATOR be permitted to continue to operate its marijuana establishments after termination as set forth in paragraph 8a., 8b. or 8c., above.
10. **Security and Public Safety:** The OPERATOR shall work with the TOWN's Police Department and the TOWN's Fire Department to determine the placement of interior and exterior security cameras, so that at least two cameras are located to provide an

unobstructed view in each direction of the public way(s) on which the Facility is located. OPERATOR will maintain a cooperative relationship with the Police Department and the Fire Department, including but not limited to meetings no less than every 4 months to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on or in the immediate vicinity of the site. Such camera(s) may be altered by the CCC during their security and architectural review process.

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13. **Emergency Response Information:** OPERATOR shall within 90 days of the date of full execution of this Agreement, file a satisfactory security and traffic management plans and emergency response plan with the TOWN's Police Chief and Fire Chief which includes:
 - (i) A description of the location and operation of the security system, including the location of the central control on the premises; (ii) a schematic of security zones; (iii) the name of the security alarm company and monitoring company, if any; (iv) a floor plan or layout of the facility identifying all areas within the facility and grounds, including support systems and the internal and external access routes; (v) the location and inventory

of emergency response equipment and the contact information of the emergency response coordinator for the marijuana establishment; (vi) the location of any hazardous substances and a description of any public health or safety hazards present on site; (vii) a description of any special equipment needed to respond to an emergency at the cannabis establishment; (viii) an evacuation plan; (ix) any other information relating to emergency response as requested by the Leicester Fire Department or the Leicester Police Department; and (x) the location of security cameras within and outside of the marijuana establishments.

14. **Hours of Operation:** OPERATOR's days and hours of operation shall be: Monday through Sunday operating 24 hours a day. OPERATOR will minimize traffic between the hours of 11pm and 7am.
15. **Local Hiring:** To the extent that such a practice and its implementation are consistent with federal and state laws and regulations, OPERATOR will work in a good faith, legal and nondiscriminatory manner to give reasonable preference in the hiring of employees for its marijuana establishment to qualified Leicester residents. OPERATOR will endeavor to hire local, qualified employees to the extent consistent with law and with the demands of OPERATOR's business. OPERATOR will endeavor in a good faith, legal and non-discriminatory manner to use local vendors and suppliers where possible.
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17. **Assignment:** OPERATOR shall not assign or transfer this Agreement, in whole or in part, or grant any license, concession or permission therein without 30 days' prior written notice of its intent to do so, nor until the TOWN has provided written consent to such assignment. If this Agreement shall be so assigned or transferred, TOWN shall be entitled to receive payments from such assignee or transferee. No such assignment or transfer shall be deemed a waiver or release of the assignee or transferee from full performance hereunder, and the Agreement shall be binding upon any such assignee or transferee. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.
18. **Property Valuation and Taxation:** OPERATOR shall not object or otherwise challenge the taxability of such property, as long as the valuation is fair and reasonable and consistent with other commercial properties within the TOWN and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, in the event the OPERATOR files as a non-profit:

- a. any real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, or
- b. the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or
- c. OPERATOR 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

OPERATOR 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 full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the Impact Fee made by OPERATOR under this Agreement. The OPERATOR shall not request any tax credits or subsidy from the TOWN for the Facility including, but not limited to, any request for a tax exemption or abatement as a non-profit entity and shall not object or otherwise challenge the taxability of its entity and shall not object or otherwise challenge the taxability of the Facility.

19. **Agreement as to Agricultural Exemption:** OPERATOR agrees to comply with all laws, rules, regulations and orders applicable to the facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits and approvals required for the performance of such work. The OPERATOR agrees not to assert or seek exemption as an agricultural use under the provisions of from the requirements of the TOWN's Zoning Bylaws pursuant to M.G. L. c. 40A, § 3.

20. **Notice:** Any and all notices or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail, or delivered by other reputable delivery service, to the parties as set forth below or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand; if so mailed, when deposited with the U.S. Postal Service; or if sent by private overnight or other delivery service, when deposited with such delivery service.

If to TOWN:	If to OPERATOR:
David Genereux, Town Administrator Town of Leicester 3 Washburn Square	Jonathan Napoli, Manager CannAssist, LLC 2131 Washington Street

Leicester, MA 01524 Telephone: (508) 892-7000 Fax: (508) 892-7070 Email: genereuxd@leicesterma.org	Boston, MA 02119 Telephone: Facsimile: Email:
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21. **Governing Law:** This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
22. **Integration of writings.** This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.
23. **Third Parties:** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either TOWN or the OPERATOR.
24. **Waiver:** The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
25. **Retention of Regulatory Authority:** By entering into this Agreement, TOWN does not waive any enforcement rights or regulatory authority it currently holds over any business in TOWN.
26. **Severability:** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

27. **Entire Agreement:** This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.
28. **Amendment:** This Agreement may only be amended by a written document duly executed by the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the TOWN and the OPERATOR.
29. **Modifications:** Modifications to this Agreement may only be effective if made in writing and signed by both parties hereto.
30. **Headings:** The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.
31. **Counterparts:** This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
32. **Signatures:** Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

IN WITNESS WHEREOF, this Agreement has been executed on the date below, as a sealed instrument by OPERATOR's duly authorized officer, and by the TOWN of Leicester.

[SIGNATURE ON FOLLOWING PAGE]

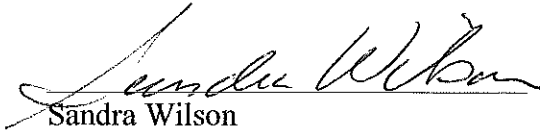
Town of Leicester, Massachusetts by its
Select Board



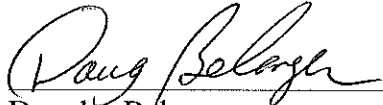
Harry Brooks
Chair



Dianna Provencher
Vice Chair



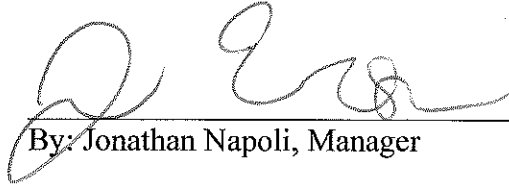
Sandra Wilson
Second Vice Chair



Douglas Belanger
Member

Brian Green
Member

CannAssist, LLC:



By: Jonathan Napoli, Manager

Approved as to Form:

Christopher J. Petrini, Town Counsel

**HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENTS
BETWEEN EAST COAST ORGANICS, LLC AND
THE TOWN OF LEICESTER, MASSACHUSETTS**

This HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENTS (“Agreement”) is entered into pursuant to M.G.L. c. 94G, §3(d) on this 15th day of May, 2018 by and between **EAST COAST ORGANICS, LLC**, a Massachusetts limited liability corporation with a principal office address of 238 Shrewsbury Street, Worcester, MA 01604 (“OPERATOR”) and the **TOWN OF LEICESTER**, a Massachusetts town with a principal address of 3 Washburn Sq. Leicester, MA 01524, by and through its Town Administrator (“TOWN”).

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court’s revised law on the subject, “An Act to Ensure Safe Access to Marijuana” adopted as Chapter 55 of the Acts of 2017 (the “Act”); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (the “CCC”) implemented regulatory framework for the regulation of the adult use of marijuana establishments through 935 CMR 500.000 et. seq. on March 23, 2018 (the “CCC Regulations”); and

WHEREAS, A “marijuana establishment” as defined in the CCC Regulations and the Town of Leicester Zoning Bylaw, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center; and

WHEREAS, OPERATOR seeks licensure as a Marijuana Cultivator and Marijuana Products Manufacturer to locate marijuana and operate two marijuana establishments in the TOWN at 88 Huntoon Memorial Highway Leicester, MA 01524, in accordance with applicable CCC regulations and such approvals as may be issued by the TOWN in accordance with its Zoning Bylaw and other applicable regulations in effect at the time that the CCC deems that the OPERATOR’s application is complete; and

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN upon receipt of CCC licensure to operate its Marijuana Cultivator and Marijuana Products Manufacturer businesses in the TOWN and upon receipt of all required local approvals to do so; and

WHEREAS, OPERATOR and TOWN agree that the OPERATOR's Marijuana Cultivator and Marijuana Products Manufacturer businesses will impact TOWN resources in ways unique to such businesses and will draw upon TOWN resources such as TOWN's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and shall cause additional unforeseen impacts upon the TOWN; and

WHEREAS, M.G.L. c. 94G, §3 (d) requires "that a marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center"

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the OPERATOR and the TOWN agree as follows:

1. **Licensure:** All rights and obligations under this Agreement are expressly conditioned upon the OPERATOR's receipt of licenses from the CCC allowing the operation of its marijuana establishments within TOWN and upon OPERATOR's obtaining all local approvals for the same. If OPERATOR fails to secure licensure from the CCC or any required local approvals, this Agreement shall be null and void.
2. **Compliance and Cooperation:** OPERATOR shall comply with all state laws, regulations and orders applicable to marijuana establishments, and all municipal laws, bylaws, regulations and orders applicable to the operation of marijuana establishments in TOWN, such provisions being incorporated herein by reference.
 - a. OPERATOR shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of its marijuana establishments and shall work cooperatively and in good faith with the TOWN in securing the prompt and efficient siting, planning, permitting and preparation for opening of its marijuana establishments.
 - b. OPERATOR agrees and understands that the TOWN'S execution of this Agreement shall not: (i) require or obligate the TOWN or its departments or boards to issue such permits and approvals as may be necessary for the OPERATOR to operate its marijuana establishments in the TOWN; (ii) affect, limit, or control the authority of TOWN boards, commissions, councils, and departments from carrying out their respective powers and duties to decide upon

and to issue, deny, or otherwise act on applicable permits and other approvals under the laws and regulations of the Commonwealth, or the TOWN's bylaws and regulations; or (iii) cause the TOWN to refrain from enforcement action against the OPERATOR for violations of the terms and conditions of such permits and approvals, or such laws, regulations and/or bylaws.

3. **Community Impact Fee:** For each license issued to it by the CCC, i.e., one license as a Marijuana Cultivator and one license as Marijuana Products Manufacturer, the OPERATOR shall pay a community impact fee as allowed by M.G.L. c. 94G, § 5 (d) ("Impact Fee") in the amounts and under the terms provided herein. OPERATOR shall pay the sum of Seventy-Five Thousand and 00/100 (\$75,000.00) Dollars, due as follows:

- a. For the first year of this Agreement, upon receipt of Licensure as set forth in Paragraph 1 above, and prior to commencing operations, OPERATOR shall pay to the TOWN the sum of \$20,000 and shall pay the balance of \$55,000 no later than 90 days after OPERATOR's full fiscal year end, which is December 31 for the calendar year 2018.
- b. For the second through fifth years of this Agreement, OPERATOR shall pay to the TOWN the sum of \$75,000 no later than 90 days after OPERATOR's full fiscal year end.

As the OPERATOR is seeking two (2) licenses, the total annual Community Impact Fee shall be One Hundred Fifty Thousand and 00/100 Dollars (\$150,000).

4. **Application of Impact Fee:** OPERATOR expressly acknowledges and agrees that the TOWN is under no obligation to use the payments made hereunder in any particular manner and that the payments are classified as General Fund under M.G.L. c. c. 44, § 53.
5. **Payment as Condition of Operation, Default and Remedy.** Payment as set forth above is necessary for OPERATOR's continued operation in the TOWN. Failure to make the required payments as scheduled and a failure to cure the failure to pay within 10 days of the due date, shall constitute breach of this Agreement and may serve as cause for TOWN's immediate review, upon 10 business days' notice to OPERATOR by the Select Board. OPERATOR shall be in default of this Agreement if any of the following occur:
 - a. OPERATOR fails to make the required payments pursuant to Paragraph 3 above, and such failure is not cured within ten (10) business days of written notification from TOWN; or
 - b. OPERATOR breaches any other provision of this Agreement, and such failure is not cured within thirty (30) days of written notification from TOWN

As remedy for any such breach, the TOWN may, among other remedies, revoke or limit the permission of the OPERATOR to operate in the TOWN and to issue an order to cease and desist with all operations upon such written notice from the TOWN. Payment means any payment paid from the OPERATOR to the TOWN pursuant to the terms of this Agreement.

6. **Reporting:** OPERATOR shall provide the TOWN with all copies of its publicly available filings to the Cannabis Control Commission, Secretary of the Commonwealth's Corporations Division, and the Massachusetts Department of Revenue, as requested.
7. **Confidentiality:** To the extent permitted by M.G.L. c. 66, § 10, (the "Public Records Law") OPERATOR may provide to the TOWN certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to OPERATOR, its affiliates and operations (collectively, the "Confidential Information"). TOWN (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or law. Further, the address of a marijuana establishment's cultivation or production facilities and any documents describing, depicting or otherwise outlining a licensee's security schematics or global positioning system coordinates, physical layout, as well as policies, procedures, practices, and plans pertaining to security are exempt from M.G.L. c. 66.
8. **Term:** The term of this Agreement is five years, terminating on May 15, 2023, unless sooner terminated by:
 - a. revocation of OPERATOR's license by the CCC; or
 - b. OPERATOR's voluntary or involuntary cessation of operations; or
 - c. the TOWN's termination of this Agreement for breach of the conditions contained herein that remain uncured 60 days from the date of notice of such breach.
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David Genereux, Town Administrator Town of Leicester 3 Washburn Square Leicester, MA 01524 Telephone: (508) 892-7000 Fax: (508) 892-7070 Email: genereuxd@leicesterma.org	Jane Eden, Manager East Coast Organics, LLC 238 Shrewsbury Street, Worcester, MA 01604 Telephone: Facsimile: Email:

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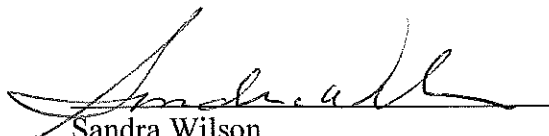
Town of Leicester, Massachusetts by its
Select Board



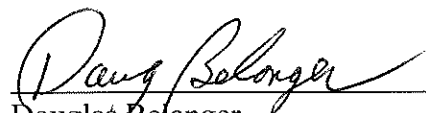
Harry Brooks
Chair



Dianna Provencher
Vice Chair



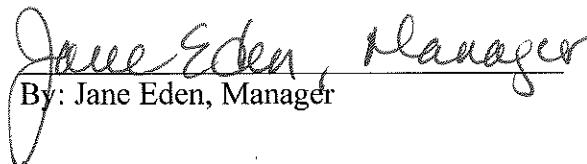
Sandra Wilson
Second Vice Chair



Douglas Belanger
Member

Brian Green
Member

East Coast Organics, LLC:



By: Jane Eden, Manager

Approved as to Form:

Christopher J. Petrini, Town Counsel

**TOWN OF LEICESTER
AND
INTEGRATED GENETICS AND BIOPHARMA RESEARCH LLC**

**HOST COMMUNITY AGREEMENT
FOR THE SITING OF AN ADULT-USE MARIJUANA ESTABLISHMENT
IN THE TOWN OF LEICESTER**

This Host Community Agreement ("Agreement") is entered into pursuant to M.G.L. 94G, § 3(5)(d) this 5th day of November, 2018 by and between **INTEGRATED GENETICS AND BIOPHARMA RESEARCH, LLC (IGBR)** (the "**Operator**") a Massachusetts limited liability company, currently located at 1764 Main Street Leicester, MA (the "**Property**") and the **Town of Leicester** a Massachusetts municipal corporation with a principal address of 3 Washburn Square, Leicester, MA 01524 (the "**Town**").

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court's revised law on the subject, "An Act to Ensure Safe Access to Marijuana" adopted as Chapter 55 of the Acts of 2017 (the "**Act**"); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (the "**CCC**") implemented regulatory framework for the regulation of adult use of marijuana establishments through 935 CMR 500.000 *et. seq.* (the "**CCC Regulations**"); and

WHEREAS, A "Marijuana Establishment" as defined in the CCC Regulations, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center; and

WHEREAS, Operator wishes to locate and operate a "Marijuana Establishment", meaning specifically, a Marijuana Research Facility, (hereinafter referred to as the "**Facility**") at the Property in accordance with CCC Regulations and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable regulations in effect at the time the Operator files its application with the CCC; and

WHEREAS, Operator will satisfy the purpose and intent of the voters and the Act by providing marijuana for adult use, educational materials and related products to citizens of the Town and throughout the Commonwealth of Massachusetts; and

WHEREAS, Operator intends to provide certain benefits to the Town upon receipt of CCC licensure to operate a Facility in Town and all required local approvals to do so; and

WHEREAS, notwithstanding the anticipated benefits to certain members of the community, the Operator and the Town agree that the Facility will impact Town resources in ways unique to the business of the Facility and will draw upon Town resources such as Town's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and may cause additional unforeseen impacts upon the Town; and

WHEREAS, Massachusetts General Laws chapter 94G, § 5 (d) states "that a marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center. An agreement between a marijuana establishment or a medical marijuana treatment center and a host community may include a community impact fee for the host community; provided, said impact fee shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or medical marijuana treatment center or be effective for longer than 5 years.

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the Operator and the Town agree as follows:

1. Compliance: Operator and Town shall comply with all applicable provisions of M.G.L. c. 94G, as affected by Chapter 55 of the Acts of 2017 and the CCC Regulations as the same may be amended from time to time; and the Leicester General Bylaws, Zoning Bylaws and all laws, rules, regulations and orders applicable to the operation of a Marijuana Establishment in the Town, such provisions being incorporated herein by reference, and Operator shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of a Marijuana Establishment.
2. Community Impact Fee: Operator shall pay a community impact fee as required by M.G.L. c. 94G, § 5 (d) (the "Impact Fee") in the amounts and under the terms provided herein. The Operator shall furnish the Town with annual Profit and Loss Statements, as soon as they become available, reflecting Gross Annual Revenues (as defined herein) of the Facility located within the Town. Additionally, the Operator shall provide the Town with copies of all of its periodic financial filings with agencies of the Commonwealth documenting Gross Annual Revenues.

3. Application of Impact Fee: The Operator acknowledges and agrees that the Town is under no obligation to use the Impact Fee payments made hereunder in any particular manner and that the payments are classified as General Fund under M.G.L. c. 44, § 53.
4. Calculation of Impact Fee Payments: Subject to adjustment or modification as set forth in this Agreement, Operator shall pay to the Town 1.50% of the Operator's Gross Annual Revenues as the Impact Fee for gross annual revenues between \$1.00 and \$1,000,000. If the Gross Annual revenue of the Operator exceeds \$1,000,000 annually in any given year, the Impact Fee shall be 3% of the Operator's Total Gross Annual Revenues.
5. Commencement Date of Agreement: For the purposes of calculation of the Impact Fee paid to the Town, this agreement is effective as of the commencement of operations at the Facility location ("**The Operations Commencement Date**") by the Operator.
6. Dates of Payment: Following the Operations Commencement Date, payment on sales for the first calendar year of operations, which is anticipated to be calendar year 2019 of shall be due and payable upon by May 15th of the following year. Payments made in successive years shall be made once annually, on May 15th of each consecutive year, through the earlier of either the end of the fifth year of operation following the Operation Commencement Date; or the maximum time permitted under M.G.L. c. 94G, § 3(5)(d) (each an "**Annual Payment**" and collectively the "**Annual Payments**"). The Operator shall notify the Town in writing when the Operator commences sales within the Town.
7. Gross Annual Revenues: The term "**Gross Annual Revenues**" shall mean the grand total of all of the Operator's revenue associated with the operations of the Facility.
8. Amendment of Impact Fee Payment Date: At the option of the Operator, the payment date may be amended once, by written request, to align with the Operator's fiscal year or quarterly tax filing obligations for ease of administration, but such amendment shall not change the total amount due.
9. Annual Review of Impact Fee: Notwithstanding anything to the contrary herein, every year after the Operation Commencement Date the Town and Operator shall jointly review the Impact Fee and may increase or decrease the Annual Payment (as the case may be) but in no event shall the Annual Payment exceed three percent (3%) of the Operator's Gross Annual Revenues.
10. Monitoring of Community Impacts: The Operator shall evaluate and monitor crime statistics, fire protection services, public health statistics including but not limited to marijuana usage in the Leicester High School, inspectional services and permitting services in conjunction with and with the reasonable cooperation of the appropriate municipal office before and after the Sales Commencement Date and shall provide this information to the Town. The Operator and the Town agree that any increase or decrease in the Impact Fee shall be based on the escalation of

the aforementioned services in the area immediately surrounding the Facility, at a rate in excess of Town-wide escalation, unless mutually agreed upon by the Operator and the Town.

11. Filings with the Commonwealth: The Operator shall furnish the Town with the annual reports of the Gross Annual Revenue as described in Section 6, as soon as they become available, reflecting Gross Annual Revenue figures for the Facility and shall provide the Town with all copies of its periodic financial filings to the CCC and/or to the Massachusetts Department of Revenue documenting the Operator's Gross Annual Revenues, and shall furnish copies of its filings to the Secretary of the Commonwealth's Corporations Division, and if any, to the Massachusetts Office of the Attorney General.
12. Term: The term of this Agreement is five years, terminating on the fifth anniversary of the Sales Commencement Date, unless sooner terminated by:
 - a. revocation of Operator's license by the CCC; or
 - b. Operator's voluntary or involuntary cessation of operations; or
 - c. the Town's termination of this Agreement for breach of the conditions contained herein that remain uncured sixty (60) days from the date of written notice of such breach.
13. Renegotiation/Applicability: To the extent permitted by law: (a) the terms of this Agreement shall be renegotiated by the Owner and the Town in good faith following five (5) years of continuous operation of the Facility; and (b) the terms of this Agreement shall continue in full force and effect unless the parties reach accord on a subsequent agreement provided, however, that in no event shall the Operator be permitted to continue to operate the Facility after termination as set forth in Paragraph 11 above.
14. Property Valuation/Taxation: Operator shall not object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, if:
 - a. any real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, or
 - b. the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or
 - c. OPERATOR 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

OPERATOR 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 full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the Impact Fee made by OPERATOR under this Agreement. The Operator shall not request any tax credits or subsidy from the Town for the Facility including, but not limited to, any request for a tax exemption or abatement as a non-profit entity and

shall not object or otherwise challenge the taxability of its entity and shall not object or otherwise challenge the taxability of the Facility.

15. Impact Fee as Compensatory: The Impact Fee referenced herein shall be compensatory to the Town for all impacts of the Operator's operation of the Facility in the Town, including all reasonable indirect costs. Nothing herein shall be construed to exempt the Facility from payment of local, state and federal taxes.
16. Local Hiring: To the extent permissible by law, Operator will make jobs available to local, qualified residents; and such residency will be a positive factor in hiring decisions, but this does not prevent Operator from hiring the most qualified candidates and complying with all employment laws and other legal requirements. In addition to the direct hiring, Operator will work in a good faith, legal and non-discriminatory manner to similarly consider local status of vendors, suppliers, contractors and builders from the Town area to be a positive factor in retaining such vendors.
17. Approval of On-Site Manager: If requested by the Town, Operator shall provide to the Town, for review and approval, the information set forth in 935 CMR 500.101(1)(b), of the person proposed to act as on-site manager of the Facility, which submittal shall include authorization to perform a criminal history (CORI) check. Within thirty (30) days of its receipt of the information set forth in 935 CMR.500.101(1)(b), the Town shall, in consultation with the Police Chief determine whether the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied if the Town denies such approval and the CCC has approved said on-site manager pursuant to the Regulations. Notwithstanding the foregoing, if Town does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, that on-site manager of the Facility shall be deemed approved by Town. This approval process shall also apply to any change of on-site manager. The current on-site manager is Nick O'Hara, and he shall be approved as part of this Agreement.
18. Prevention of Diversion: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Operation Commencement Date. Such plan will include, but is not limited to, (i) training Facility employees to be aware of, observe, and report any unusual behavior in Facility employees that may indicate the potential for diversion; (ii) strictly adhering to CCC Regulations as to certification amounts and time periods; (iii) utilizing seed-to-sale tracking software to closely track all inventory at the Facility.
19. Security: To the extent requested by the Town's Police Department and Fire Department, and consistent with the Regulations, Operator shall work with the Town's Police Department and the Town's Fire Department to determine the placement of interior and exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each

direction of the public way(s) on which the Facility is located. Operator will maintain a cooperative relationship with the Police Department and the Fire Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on or in the immediate vicinity of the site. Such camera(s) may be altered by the CCC during their security and architectural review process.

20. Registration and Approvals Required: The obligations of Operator and the Town recited herein are specifically contingent upon the obtaining of a Certificate of Registration for the operation of a Marijuana Research Establishment from the CCC to operate in Town, and contingent upon all necessary local permits and approvals required, which are consistent with M.G. L. c. 94G, Section 5 and in effect as of the date specifically required by said section.
21. On-Site Consumption: The on-site consumption of marijuana products shall be prohibited.
22. Cooperation: Operator shall work cooperatively and in good faith with the Town in securing the prompt and efficient siting, planning, permitting and preparation for opening of the Facility. Furthermore, Town shall recognize Operator's Existing RMD License Priority Applicant status under 935 CMR 500.101 (2). 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 for the Facility to operate in the Town, or to refrain from enforcement action against the Operator and/or its Facility for violation of the terms of said permits and approvals or said statutes, Bylaws and regulations.
23. Modification of Payments: Both the Operator and the Town understand and agree that a Marijuana Research Facility have a distinct and separate impact on a municipality and justify a difference in Host Community Agreement terms. Should Operator enter into an agreement with any other municipality for the siting of a combined Marijuana Cultivator, Marijuana Retailer and Marijuana Product Manufacturer at terms materially more favorable to that municipality than the terms of this Agreement are to Town, this Agreement shall be modified to reflect those terms. Notwithstanding the foregoing, should Operator enter into an agreement with any other municipality for the purpose of operating one or more Marijuana Establishments that do not combine a Marijuana Cultivator, Marijuana Retailer and Marijuana Product Manufacturer this Agreement shall not be modified.
24. Location; Additional Operations: This Agreement applies to the proposed Marijuana Research Facility to be located at Stafford Street, Leicester. This agreement will remain in force should the Operator chose to move or transfer operations to a different location within the Town.

Should the Operator and the Town agree to allow the Operator to site another facility within the Town, the Operator and the Town shall agree to negotiate an additional agreement.

25. Assignment: Neither the Town nor the Operator shall 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 other party, which consent shall not be unreasonably withheld; provided however such consent shall not be required in the event such transfer or assignment is between the Operator and another entity which is authorized by the CCC to operate the Facility pursuant to a Certificate of Registration granted by it, or if such assignment or transfer is the result of a merger or consolidation with the Operator.
26. Agreement as to Agricultural Exemption: Operator agrees to comply with all laws, rules, regulations and orders applicable to the Facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits and approvals required for the operation of an Facility. The Operator agrees not to assert or seek exemption as an agricultural use under the provisions of from the requirements of the Town's Zoning Bylaws pursuant to M.G. L. c. 40A, § 3.
27. Retention of Regulatory Authority: By entering into this Agreement, Town does not waive any enforcement rights or regulatory authority it currently holds over any business in Town.
28. Notices: Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 of this Agreement or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.
29. Severability: If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
30. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
31. Entire Agreement: This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations,

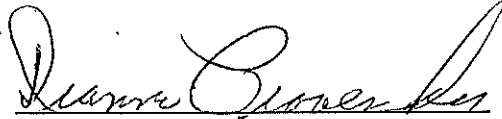
either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

32. Confidentiality: Operator may provide to the Town certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "**Confidential Information**"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or law (pursuant to M.G.L. c. 66 § 10), provided in all events, prior to such disclosure, the Town will notify Operator in writing of its intent to make such disclosure at least three (3) days in advance of any disclosure.
33. Waiver: The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.
34. Third Parties: Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either Town or the Operator.
35. Amendment: This Agreement may only be amended by a written document duly executed by both of the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the Town and the Operator.
36. Modifications: Modifications to this Agreement may only be effective if made in writing and signed by both of the parties hereto.
37. Headings: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.
38. Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
39. Signatures: Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

[SIGNATURES TO FOLLOW]

The following signature indicate that the parties hereby agree to the terms set forth in this Agreement as per the date set forth on page 1 of this Agreement.

For the Town of Leicester, Massachusetts:

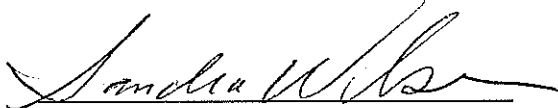


Dianna Provencher
Chair

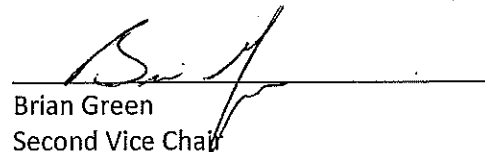
For IGBR, LLC:



By: Nick O'Hara
Its: Manager



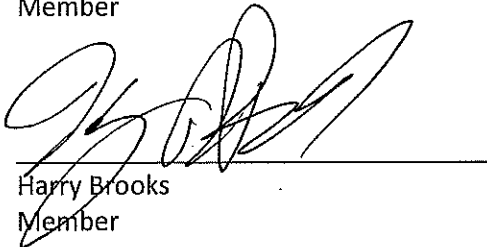
Sandra Wilson
Vice Chair



Brian Green
Second Vice Chair



Rick Antanavica
Member



Harry Brooks
Member

Approved as to Form:

Christopher J. Petrini, Town Counsel

2018.03.22 DRAFT Proposed Leicester and Cultivate Host Community Agreement (ADULT USE) TC comments-CLEAN (1206-01)

HOST COMMUNITY AGREEMENT | – TOWN OF LEICESTER MA

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**HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENT
BETWEEN CULTIVATE HOLDINGS LLC AND
THE TOWN OF LEICESTER, MASSACHUSETTS**

This HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENT (“Agreement”) is entered into pursuant to M.G.L. c. 94G, §3(d) on this _____ day of _____, 2019 by and between **CULTIVATE HOLDINGS, LLC**, a Massachusetts limited liability corporation with a principal office address of 1764 Main Street, Leicester, MA 01524 (“OPERATOR”) and the **TOWN OF LEICESTER**, a Massachusetts town with a principal address of 3 Washburn Sq. Leicester, MA 01524, by and through its Town Administrator (“TOWN”).

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court’s revised law on the subject, “An Act to Ensure Safe Access to Marijuana” adopted as Chapter 55 of the Acts of 2017 (the “Act”); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (the “CCC”) implemented regulatory framework for the regulation of the adult use of marijuana establishments through 935 CMR 500.000 et. seq. on March 23, 2018 (the “CCC Regulations”); and

WHEREAS, A “marijuana establishment” as defined in the CCC Regulations and the Town of Leicester Zoning Bylaw, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, and/or a medical marijuana treatment center; and more specifically a marijuana establishment being located at 22 Burncoat Street, Leicester, MA 01524.

WHEREAS, OPERATOR seeks licensure as a Marijuana Establishment to locate and operate in the TOWN at 22 Burncoat Street Leicester, MA 01524, in accordance with applicable CCC regulations and such approvals as may be issued by the TOWN in accordance with its Zoning Bylaw and other applicable regulations in effect at the time that the CCC deems that the OPERATOR’s application is complete; and

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN upon receipt of CCC licensure to operate its marijuana establishment in the TOWN and upon receipt of all required local approvals to do so; and

WHEREAS, OPERATOR intends to construct a Marijuana Establishment for cultivation, and product manufacture containing approximately 100,000 square feet of Gross Floor Area, said establishment anticipated to be constructed in two phases of 50,000 square feet apiece, (For purposes of this agreement, Gross Floor Area shall mean the total floor area contained within the building measured to the external face of the external walls LESS the floor area taken up by enclosed machinery rooms, stairs, mechanical and electrical services room, hallways, ducts, risers and office space), and

WHEREAS, OPERATOR and TOWN agree that the OPERATOR's marijuana establishment will impact TOWN resources in ways unique to such businesses and will draw upon TOWN resources such as TOWN's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and shall cause additional unforeseen impacts upon the TOWN; and

WHEREAS, M.G.L. c. 94G, §3 (d) requires "that a marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center"

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the OPERATOR and the TOWN agree as follows:

1. **Licensure:** All rights and obligations under this Agreement are expressly conditioned upon the OPERATOR's receipt of licenses from the CCC allowing the operation of its marijuana establishment within TOWN and upon OPERATOR's obtaining all local approvals for the same. If OPERATOR fails to secure licensure from the CCC or any required local approvals, this Agreement shall be null and void.
2. **Compliance and Cooperation:** OPERATOR shall comply with all state laws, regulations and orders applicable to marijuana establishments, and all municipal laws, bylaws, regulations and orders applicable to the operation of marijuana establishments in TOWN, such provisions being incorporated herein by reference.
 - a. OPERATOR shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of its marijuana establishments and shall work cooperatively and in good faith with the TOWN in securing the prompt and efficient siting, planning, permitting and preparation for opening of its marijuana establishments.

- b. OPERATOR agrees and understands that the TOWN'S execution of this Agreement shall not: (i) require or obligate the TOWN or its departments or boards to issue such permits and approvals as may be necessary for the OPERATOR to operate its marijuana establishment in the TOWN; (ii) affect, limit, or control the authority of TOWN boards, commissions, councils, and departments from carrying out their respective powers and duties to decide upon and to issue, deny, or otherwise act on applicable permits and other approvals under the laws and regulations of the Commonwealth, or the TOWN's bylaws and regulations; or (iii) cause the TOWN to refrain from enforcement action against the OPERATOR for violations of the terms and conditions of such permits and approvals, or such laws, regulations and/or bylaws.
3. **Community Impact Fee:** The OPERATOR shall pay a community impact fee as required by M.G.L. c. 94G, § 3 (d) ("Impact Fee") in the amounts and under the terms provided herein. OPERATOR shall pay the sum of Six Hundred Seventy Five Thousand and 00/100 (\$675,000.00) Dollars over the term of the agreement, due as follows:
 - a. For the first year of this Agreement, upon receipt of Licensure as set forth in Paragraph 1 above, and prior to commencing operations, OPERATOR shall pay to the TOWN the sum of \$20,000 and shall pay the balance of \$80,000 no later than 90 days after OPERATOR's full fiscal year end, which is December 31 for the calendar year 2020.
 - b. For the second year of this Agreement, OPERATOR shall pay the TOWN the sum of \$125,000 no later than 90 days after the OPERATOR'S full fiscal year end.
 - c. For the third through fifth years of this Agreement, OPERATOR shall pay to the TOWN the sum of \$150,000 no later than 90 days after OPERATOR's full fiscal year end.
 - d. If OPERATOR does not construction the anticipated second phase of the marijuana establishment at this location, for any reason, said payments specified above shall be reduced to \$100,000 per year for the term of this agreement, totaling \$500,000 over said agreement.
4. **Application of Impact Fee:** OPERATOR expressly acknowledges and agrees that the TOWN is under no obligation to use the payments made hereunder in any particular manner and that the payments are classified as General Fund under M.G.L. c. 44, § 53.
5. **Payment as Condition of Operation, Default and Remedy.** Payment as set forth above is necessary for OPERATOR's continued operation in the TOWN. Failure to make the required payments as scheduled and a failure to cure the failure to pay within 10 days of the due date, shall constitute breach of this Agreement and may serve as cause for TOWN's immediate

review, upon 10 business days' notice to OPERATOR by the Board of Selectmen. OPERATOR shall be in default of this Agreement if any of the following occur:

- a. OPERATOR fails to make the required payments pursuant to Paragraph 3 above, and such failure is not cured within ten (10) business days of written notification from TOWN; or
- b. OPERATOR breaches any other provision of this Agreement, and such failure is not cured within thirty (30) days of written notification from TOWN

As remedy for any such breach, the TOWN may, among other remedies, revoke or limit the permission of the OPERATOR to operate in the TOWN and to issue an order to cease and desist with all operations upon such written notice from the TOWN. Payment means any payment paid from the OPERATOR to the TOWN pursuant to the terms of this Agreement.

6. **Confidentiality:** To the extent permitted by M.G.L. c. 66, § 10, (the "Public Records Law") Operator may provide to the Town certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "Confidential Information"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or law.
7. **Term:** The term of this Agreement is five years, terminating on December 31, 2024 unless sooner terminated by:
 - a. revocation of OPERATOR's license by the CCC; or
 - b. OPERATOR's voluntary or involuntary cessation of operations; or
 - c. the TOWN's termination of this Agreement for breach of the conditions contained herein that remain uncured 60 days from the date of notice of such breach, except failure to make payments under this agreement pursuant to Section 5 of this Agreement.
8. **Renegotiation/Applicability:** The terms of this Agreement shall continue in full force and effect unless the parties reach accord on a subsequent agreement, provided, however, that in no event shall OPERATOR be permitted to continue to operate its marijuana establishment after termination as set forth in paragraph 6a., 6b. or 6c., above.

9. **Security and Public Safety:** The OPERATOR shall work with the TOWN's Police Department and the TOWN's Fire Department to determine the placement of interior and exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the Facility is located. OPERATOR will maintain a cooperative relationship with the Police Department and the Fire Department, including but not limited to meetings no less than every 4 months to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on or in the immediate vicinity of the site. Such camera(s) may be altered by the CCC during their security and architectural review process.
10. **Approval of On-Site Manager:** The OPERATOR shall provide to the TOWN, for review and approval, the information set forth in 935 CMR 500.101(1)(b), of the person proposed to act as on-site manager of the OPERATOR's marijuana establishment which submittal shall include authorization to perform a criminal history (CORI) check. Within thirty (30) days of its receipt of the information set forth in 935 CMR.500.101(1)(b), the TOWN shall, in consultation with the Police Chief determine whether the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied if the TOWN denies such approval and the CCC has approved said on-site manager pursuant to the Regulations. Notwithstanding the foregoing, if TOWN does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, the on-site manager of the OPERATOR's marijuana establishment shall be deemed approved by TOWN. This approval process shall also apply to any change of on-site manager.
11. **Prevention of Diversion:** The, OPERATOR shall work with the TOWN's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Sales Commencement Date. Such plan will include, but is not limited to, (i) training employees to be aware of, observe, and report any unusual behavior in customers or OPERATOR's marijuana establishment employees that may indicate the potential for diversion; (ii) strictly adhering to CCC Regulations as to certification amounts and time periods; (iii) rigorous customer identification and verification procedures required by the CCC; and (iv) utilizing seed-to-sale tracking software to closely track all inventory.
12. **Emergency Response Information:** OPERATOR shall within 90 days of the date of full execution of this Agreement, file a satisfactory security and traffic management plans and emergency response plan with the TOWN's Police Chief and Fire Chief which includes: (i) A description of the location and operation of the security system, including the location of the central control on the premises; (ii) a schematic of security zones; (iii) the name of the security alarm company and monitoring company, if any; (iv) a floor plan or layout of the facility identifying all areas within the facility and grounds, including support systems and the internal and external access routes; (v) the location and inventory of emergency response

equipment and the contact information of the emergency response coordinator for the marijuana establishment; (vi) the location of any hazardous substances and a description of any public health or safety hazards present on site; (vii) a description of any special equipment needed to respond to an emergency at the cannabis establishment; (viii) an evacuation plan; (ix) any other information relating to emergency response as requested by the Leicester Fire Department or the Leicester Police Department; and (x) the location of security cameras within and outside of the marijuana establishment.

13. **Hours of Operation:** OPERATOR's days and hours of operation shall be posted and as allowed by the CCC.
14. **Local Hiring:** To the extent that such a practice and its implementation are consistent with federal and state laws and regulations, OPERATOR will work in a good faith, legal and nondiscriminatory manner to give reasonable preference in the hiring of employees for its marijuana establishment to qualified Leicester residents. OPERATOR will endeavor to hire local, qualified employees to the extent consistent with law and with the demands of OPERATOR's business. OPERATOR will endeavor in a good faith, legal and non-discriminatory manner to use local vendors and suppliers where possible.
15. **Monitoring of Community Impacts:** The OPERATOR shall evaluate and monitor crime statistics, fire protection services, public health statistics including but not limited to marijuana usage in the Leicester High School, inspectional services and permitting services in conjunction with and with the reasonable cooperation of the appropriate municipal office before and after the Sales Commencement Date and shall provide this information to the TOWN.
16. **Assignment:** OPERATOR shall not assign or transfer this Agreement, in whole or in part, or grant any license, concession or permission therein without 30 days' prior written notice of its intent to do so, nor until the TOWN has provided written consent to such assignment, provided however such consent shall not be required in the event such transfer or assignment is between the OPERATOR and another entity which is authorized by the Commission or other authorizing entity to operate the Marijuana Establishment, or if such assignment or transfer is the result of a merger or consolidation with the Operator.. Such consent shall not be unreasonably denied, withheld or conditioned. If this Agreement shall be so assigned or transferred, TOWN shall be entitled to receive payments from such assignee or transferee. No such assignment or transfer shall be deemed a waiver or release of the assignee or transferee from full performance hereunder, and the Agreement shall be binding upon any such assignee or transferee. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.

17. **Property Valuation and Taxation:** OPERATOR shall not object or otherwise challenge the taxability of such property, as long as the valuation is fair and reasonable and consistent with other commercial properties within the TOWN and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, in the event the OPERATOR files as a non-profit:

- a. any real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, or
- b. the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or
- c. OPERATOR 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

OPERATOR 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 full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the Impact Fee made by OPERATOR under this Agreement. The OPERATOR shall not request any tax credits or subsidy from the TOWN for the Facility including, but not limited to, any request for a tax exemption or abatement as a non-profit entity and shall not object or otherwise challenge the taxability of its entity and shall not object or otherwise challenge the taxability of the Facility.

18. **Agreement as to Agricultural Exemption:** OPERATOR agrees to comply with all laws, rules, regulations and orders applicable to the facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits and approvals required for the performance of such work. The OPERATOR agrees not to assert or seek exemption as an agricultural use under the provisions of from the requirements of the TOWN's Zoning Bylaws pursuant to M.G. L. c. 40A, § 3.

19. **Notice:** Any and all notices or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail, or delivered by other reputable delivery service, to the parties as set forth below or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand; if so mailed, when deposited with the U.S. Postal Service; or if sent by private overnight or other delivery service, when deposited with such delivery service.

If to TOWN:	If to OPERATOR:
David Genereux, Town Administrator Town of Leicester 3 Washburn Square Leicester, MA 01524 Telephone: (508) 892-7000 Fax: (508) 892-7070 Email: genereuxd@leicesterma.org	Sam Barber, Manager Cultivate Holdings LLC PO BOX 245 Leicester, MA 01524 Telephone: (207) 233-1304 Facsimile: n/a Email: sambarber@cultivatemass.com

20. **Governing Law:** This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
21. **Integration of writings.** This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.
22. **Third Parties:** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either TOWN or the OPERATOR.
23. **Waiver:** The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
24. **Retention of Regulatory Authority:** By entering into this Agreement, TOWN does not waive any enforcement rights or regulatory authority it currently holds over any business in TOWN.
25. **Severability:** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement

shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

26. **Entire Agreement:** This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.
27. **Amendment:** This Agreement may only be amended by a written document duly executed by the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the TOWN and the OPERATOR.
28. **Modifications:** Modifications to this Agreement may only be effective if made in writing and signed by both parties hereto.
29. **Headings:** The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.
30. **Counterparts:** This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
31. **Signatures:** Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

IN WITNESS WHEREOF, this Agreement has been executed on the date below, as a sealed instrument by OPERATOR's duly authorized officer, and by the TOWN of Leicester.

[SIGNATURE ON FOLLOWING PAGE]

**Town of Leicester, Massachusetts by its
Select Board**

Dianna Provencher
Chair

Sandra Wilson
Vice Chair

Brian Green
Second Vice Chair

Harry Brooks
Member

Rick Antanavica
Member

Approved as to Form

Christopher J. Petrini, Town Counsel

Cultivate Holdings LLC

Sam Barber
Manager

**TOWN OF LEICESTER
AND
NATURAL HEALTHCARE INC.**

**HOST COMMUNITY AGREEMENT
FOR THE SITING OF A
REGISTERED MARIJUANA DISPENSARY
IN THE TOWN OF LEICESTER**

This Host Community Agreement ("Agreement") is entered into pursuant to M.G.L. 44, §53A this 19th day of ~~November~~ December, 2016 by and between Natural Healthcare, Inc. a Massachusetts not-for-profit corporation with a principal office address of 1764 Main Street Leicester, MA (the "**Operator**") and the Town of Leicester, a Massachusetts municipal corporation with a principal address of 3 Washburn Square, Leicester, MA 01524 (the "**Town**").

WHEREAS, Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for medical purposes through Chapter 369 of the Acts of 2012, An Act for Humanitarian Medical Use of Marijuana; and

WHEREAS, Massachusetts, acting through the Commonwealth of Massachusetts Department of Public Health (the "**DPH**") implemented regulatory framework for the regulation of the use of marijuana for medical purposes through 105 CMR 725.000 *et. seq.* (the "**Regulations**"); and

WHEREAS, Operator wishes to locate and operate a Medical Marijuana Treatment Center (the "**Facility**") at 1764 Main Street, Leicester, MA 01524 (the "**Property**") in accordance with the Regulations; and

WHEREAS, A Medical Marijuana Treatment Center is defined by the DPH as a not-for-profit entity registered under 105 CMR 725.100, to be known as a registered marijuana dispensary (RMD), that acquires, cultivates, possesses, processes (including development of related products such as edible MIPs, tinctures, aerosols, oils, or ointments), transfers, transports, sells, distributes, dispenses, or administers marijuana, products containing marijuana, related supplies, or educational materials to registered qualifying patients or their personal caregivers. Unless otherwise specified, RMD refers to the site(s) of dispensing, cultivation, and preparation of marijuana; and

WHEREAS, Operator will serve its non-profit purpose of providing marijuana for medical use, educational materials, and related products, to medical use of marijuana patients in Town and throughout the Commonwealth of Massachusetts;

WHEREAS, The Town enacted Article 23, an ordinance amending the Town of Leicester Zoning Bylaw (the "**Bylaw**") to allow RMD's as of right in the Highway Business-Industrial 1 (HB-1) Zoning District;

WHEREAS, The Facility is an as-of-right use at the Property and complies with the buffer requirements set forth in Section 5.15 of the Bylaw; and

WHEREAS, Operator intends to provide certain benefits to the Town in the event that it obtains a Certificate of Registration to operate an RMD in Town and has received all required local approvals.

Whereas, notwithstanding the anticipated benefits to certain members of the community, the facility will impact town resources in ways unique to the business of the facility and draw upon town resources in a manner not shared by the general population;

NOW, THEREFORE, in consideration of the above, the Operator and the Town agree as follows:

1. **Community Impact Fee**: the parties anticipate that the Town will incur extended expenses and draws upon the town's road system, law enforcement, fire protection services, inspectional services and permitting services and additional unforeseen impacts upon the town. Accordingly, in order to mitigate the financial impact upon the town and use of town resources, the Operator will pay to the Town a community impact fee (the "**Community Impact Fee**") in the amounts and payable at such times as described in section 2 hereof:
2. **Payments**: Subject to adjustment or modification as set forth in the fourth paragraph of this section, Operator shall pay to the Town an annual total of Fifty Thousand Dollars and 00/100 (\$50,000.00) in the aggregate, beginning on the first day of the thirteenth month following the date of commencement of sales in the Town (the "**Sales Commencement Date**") and through the end of the fifteenth (15th) year following the Sales Commencement Date (each an "**Annual Payment**" and collectively the "**Annual Payments**").

On the last day of the fifteenth (15th) year following the Sales Commencement Date, Operator shall make an additional one-time cash payment of Fifty Thousand Dollars and 00/100 (\$50,000.00) to the Town (it being understood that such one-time cash payment is in recognition of the fact that the Operator is not obligated to make an initial Annual payment during the first thirteen (13) months after the Sales Commencement Date).

Payments under this Section shall be made twice annually, no later than thirty (30) days following December 31st and June 30th of each year. Operator shall notify the Town when Operator commences sales within the Town. Operator will provide the Town with copies of its periodic financial filings to the DPH documenting gross revenues, and also a copy of its annual filing as a non-profit, if any, to the Massachusetts Office of Attorney General. The Town may notify Operator to delay the initial payment hereunder, in which case the initial payment shall be made as specified by the Town; however, the timing of subsequent payments shall be made as if the initial payment had been made as described above.

Notwithstanding anything to the contrary herein, every three (3) years after the Sales Commencement Date the Town and Operator shall jointly review the Community Impact Fee and increase or decrease the Annual Payment (as the case may be) based on the overall impact of the Facility on the Town. Any increase or decrease in the Annual Payment shall be proportional to the identified impact, but in no event shall the Annual Payment increase or decrease by more than ten percent (10%) in any year. The Operator shall evaluate and monitor crime statistics, fire protection services, inspectional services and permitting services in conjunction with and with the reasonable cooperation of the appropriate municipal office before and after the Sales Commencement Date. The Operator shall provide this information to the Town and any increase or decrease in the Community Impact Fee shall be based on the escalation of the aforementioned services in the area immediately surrounding the Facility, at a rate in excess of town-wide escalation, unless mutually agreed upon by the Operator and the Town.

3. Taxes: The operator will pay all local, state and federal taxes as required by applicable law, as now existing or is hereafter may from time to time be enacted, repealed or modified.
4. Community Impact Fee as compensatory: The community impact fee referenced herein shall be compensatory to the town of all impacts of the facility's operation in the town including all reasonable indirect cost. Nothing, herein, shall be construed to exempt the facility from payment of local state and federal taxes.
5. Local Hiring: To the extent permissible by law, Operator will make jobs available to local, qualified residents; and such residency will be a positive factor in hiring decisions. In addition to the direct hiring, Operator will work in a good faith, legal and non-discriminatory manner to similarly consider local status of vendors, suppliers, contractors and builders from the Town area to be a positive factor in retaining such vendors.
6. Approval of Manager: If requested by the Town, Operator shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 105 CMR 725.030, of the person proposed to act as on-site manager of the RMD. The submittal shall include authorization to perform a criminal history (CORI) check. Town shall consider such request for approval within thirty (30) days following submittal to determine, in consultation with the Police Chief, if the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied, conditioned or delayed if the Town denies such approval and the DPH has approved said manager pursuant to the Regulations. Notwithstanding the foregoing, in the event that Town does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, that manager shall be deemed

approved by Town. This approval process shall also apply to any change of on-site manager.

7. Prevention of Diversion: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Sales Commencement Date. Such plan will include, but is not limited to, (i) training RMD employees to be aware of, observe, and report any unusual behavior in patients, caregivers, authorized visitors or other RMD employees that may indicate the potential for diversion; (ii) strictly adhering to certification amounts and time periods (per DPH guidelines); (iii) rigorous patient identification and verification procedures through the DPH Online System; (iv) utilizing seed-to-sale tracking software to closely track all inventory at the RMD; and (v) refusing to complete a transaction if the patient or caregiver appears to be under the influence of drugs or alcohol.
8. Security: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department in determining the placement of exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the RMD is located. Operator will maintain a cooperative relationship with the Police Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on the site. Such camera may be altered by the DPH during their security and architectural review process.
9. Registration and Approvals Required: The obligations of Operator and the Town recited herein are specifically contingent upon the obtaining of a Certificate of Registration for the operation of a RMD from the DPH to operate in Town, and all necessary local permits and approvals.
10. Cooperation: Town shall work cooperatively and in good faith with Operator in securing the prompt and efficient siting, planning, permitting and preparation for opening of the RMD, provided that nothing herein shall require Town to waive any review and approval rights set forth in applicable statutes or regulations and provided further that Town shall retain the right to provide comments and recommendations regarding design and security.
11. Support for Registration: Town shall support Operator's application for registration of its RMD by the DPH, and work with Operator to assist in securing such registration.
12. Modification of Payments: Should Operator enter into an agreement with any other municipality for siting a RMD at material terms more favorable to that municipality than the terms of this Agreement are to Town, this Agreement shall be modified to reflect

those terms. Notwithstanding the foregoing, should Operator enter into an agreement with any other municipality solely for the purpose of establishing an RMD that is located off-site from the cultivation and processing facility but which serves only to dispense the processed marijuana, related supplies and educational materials than this Agreement shall not be modified. Both the Operator and the Town understand and agree that a cultivation facility and dispensary facility will have distinct and separate impacts on a municipality and justify a difference in Host Community Agreement terms.

13. Assignment: Operator shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town, which consent shall not be unreasonably withheld; provided however in the event such transfer or assignment is between the Operator and another affiliated entity which will utilize the Facility for the cultivation of marijuana and which is duly authorized by the DPH or other authorizing entity, or if such assignment or transfer is the result of a merger or consolidation with the Operator.
14. Compliance: Operator shall comply with all laws, rules, regulations and orders applicable to the operation of an RMD, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of an RMD.
15. Retention of Regulatory Authority: By entering into this Agreement, Town does not waive any enforcement rights or regulatory authority it currently holds over any business in Town.
16. Notices: Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 of this Agreement or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.
17. Severability: If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
18. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

19. Entire Agreement: This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.

20. Termination: This Agreement shall terminate at the time that either of the following occur:

- a. The Town notifies Operator of the Town's termination of this Agreement; or
- b. Operator ceases to operate a RMD in the Town.

This agreement shall have no further force and effect and neither of the parties shall have any further rights, obligations or liabilities to the other party, provided that Section 23 hereof shall remain in full force and effect.

21. Term: This agreement shall have a term of fifteen (15) years (the "Term") at which point the parties may renegotiate the terms of this Agreement. Operator shall not be required to cease operations at the termination of this Agreement.

22. Appropriation. The purpose of this Agreement is to assist the Town in addressing any public safety and health effects the RMD may have on the Town, as deemed appropriate by the Board of Selectmen. The Town shall determine use of all Annual Payments consistent with the purposes of this Agreement.

23. Confidentiality: Operator may provide to the Town certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "Confidential Information"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or at any time thereafter, disclose to any person or entity, any Confidential Information, except as may be required by court order or law.

24. Waiver: The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.

25. Amendment: This Agreement may only be amended by a written document duly executed by both of the parties hereto. No modification or waiver of any provision of


this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the Town and the Operator.

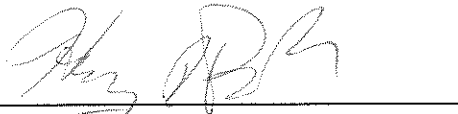
26. Modifications. Modifications to this Agreement may only be effective if made in writing and signed by both of the parties hereto.
27. Headings: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.
28. Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
29. Signatures. Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

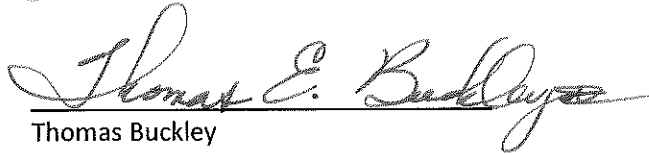
[SIGNATURES TO FOLLOW]

The following signature indicate that the parties hereby agree to the terms set forth in this Agreement as per the date set forth on page 1 of this Agreement.

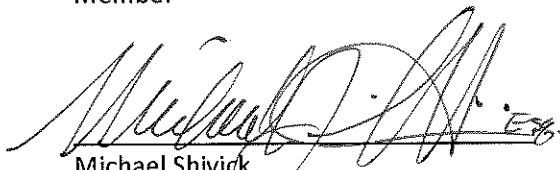
For the Town of Leicester, Massachusetts:


Douglas Belanger
Chairman



Harry Brooks
Vice Chairman


Thomas Buckley
Second Vice Chairman


Dianna Provencher
Member


Michael Shivick
Member

For Natural Healthcare, Inc:


By: Stephen A. Barber,
Title: CEO, Natural Healthcare Inc.

**TOWN OF LEICESTER
AND
NOR'EASTER REMEDIES**

**HOST COMMUNITY AGREEMENT
FOR THE SITING OF AN ADULT-USE MARIJUANA ESTABLISHMENT
IN THE TOWN OF LEICESTER**

This Host Community Agreement ("Agreement") is entered into pursuant to M.G.L. 94G, § 3(5)(d) this 17th day of December, 2018 by and between **Nor'easter Remedies (N'R)** (the "**Operator**") a Massachusetts limited liability company, currently located at 424 Main Street, Cherry Valley, MA (the "**Property**") and the **Town of Leicester** a Massachusetts municipal corporation with a principal address of 3 Washburn Square, Leicester, MA 01524 (the "**Town**").

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court's revised law on the subject, "An Act to Ensure Safe Access to Marijuana" adopted as Chapter 55 of the Acts of 2017 (the "**Act**"); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission (the "**CCC**") implemented regulatory framework for the regulation of adult use of marijuana establishments through 935 CMR 500.000 *et. seq.* (the "**CCC Regulations**"); and

WHEREAS, A "Marijuana Establishment" as defined in the CCC Regulations, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center; and

WHEREAS, Operator wishes to locate and operate a "Marijuana Establishment", meaning specifically, a Marijuana Cultivator, (hereinafter referred to as the "**Facility**") at the Property in accordance with CCC Regulations and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable regulations in effect at the time the Operator files its application with the CCC; and

WHEREAS, Operator will satisfy the purpose and intent of the voters and the Act by providing marijuana for adult use, educational materials and related products to citizens of the Town and throughout the Commonwealth of Massachusetts; and

WHEREAS, Operator intends to provide certain benefits to the Town upon receipt of CCC licensure to operate a Facility in Town and all required local approvals to do so; and

WHEREAS, notwithstanding the anticipated benefits to certain members of the community, the Operator and the Town agree that the Facility will impact Town resources in ways unique to the business of the Facility and will draw upon Town resources such as Town's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not shared by the general population and may cause additional unforeseen impacts upon the Town; and

WHEREAS, Massachusetts General Laws chapter 94G, § 5 (d) states "that a marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center. An agreement between a marijuana establishment or a medical marijuana treatment center and a host community may include a community impact fee for the host community; provided, said impact fee shall not amount to more than 3 per cent of the gross sales of the marijuana establishment or medical marijuana treatment center or be effective for longer than 5 years.

NOW, THEREFORE, in consideration of the above and the mutually agreed promises contained herein, the Operator and the Town agree as follows:

1. Compliance: Operator and Town shall comply with all applicable provisions of M.G.L. c. 94G, as affected by Chapter 55 of the Acts of 2017 and the CCC Regulations as the same may be amended from time to time; and the Leicester General Bylaws, Zoning Bylaws and all laws, rules, regulations and orders applicable to the operation of a Marijuana Establishment in the Town, such provisions being incorporated herein by reference, and Operator shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of a Marijuana Establishment.
2. Community Impact Fee: Operator shall pay a community impact fee as required by M.G.L. c. 94G, § 5 (d) (the "Impact Fee") in the amounts and under the terms provided herein. The Operator shall furnish the Town with annual Profit and Loss Statements, as soon as they become available, reflecting Gross Annual Revenues (as defined herein) of the Facility located within the Town. Additionally, the Operator shall provide the Town with copies of all of its periodic financial filings with agencies of the Commonwealth documenting Gross Annual Revenues.

3. Application of Impact Fee: The Operator acknowledges and agrees that the Town is under no obligation to use the Impact Fee payments made hereunder in any particular manner and that the payments are classified as General Fund under M.G.L. c. 44, § 53.
4. Calculation of Impact Fee Payments: Subject to adjustment or modification as set forth in this Agreement, Operator shall pay to the Town 1.50% of the Operator's Gross Annual Revenues as the Impact Fee for gross annual revenues between \$1.00 and \$1,000,000. If the Gross Annual revenue of the Operator exceeds \$1,000,000 annually in any given year, the Impact Fee shall be 3% of the Operator's Total Gross Annual Revenues.
5. Commencement Date of Agreement: For the purposes of calculation of the Impact Fee paid to the Town, this agreement is effective as of the commencement of sales at the Facility location ("**The Sales Commencement Date**") by the Operator.
6. Dates of Payment: Following the Operations Commencement Date, payment on sales for the first calendar year of operations, which is anticipated to be calendar year 2019 of shall be due and payable upon by May 15th of the following year. Payments made in successive years shall be made once annually, on May 15th of each consecutive year, through the earlier of either the end of the fifth year of operation following the Operation Commencement Date; or the maximum time permitted under M.G.L. c. 94G, § 3(5)(d) (each an "**Annual Payment**" and collectively the "**Annual Payments**"). The Operator shall notify the Town in writing when the Operator commences sales within the Town.
7. Gross Annual Revenues: The term "**Gross Annual Revenues**" shall mean the grand total of all of the Operator's revenue associated with the operations of the Facility.
8. Amendment of Impact Fee Payment Date: At the option of the Operator, the payment date may be amended once, by written request, to align with the Operator's fiscal year or quarterly tax filing obligations for ease of administration, but such amendment shall not change the total amount due.
9. Annual Review of Impact Fee: Notwithstanding anything to the contrary herein, every year after the Operation Commencement Date the Town and Operator shall jointly review the Impact Fee and may increase or decrease the Annual Payment (as the case may be) but in no event shall the Annual Payment exceed three percent (3%) of the Operator's Gross Annual Revenues.
10. Monitoring of Community Impacts: The Operator shall evaluate and monitor crime statistics, fire protection services, public health statistics including but not limited to marijuana usage in the Leicester High School, inspectional services and permitting services in conjunction with and with the reasonable cooperation of the appropriate municipal office before and after the Sales Commencement Date and shall provide this information to the Town. The Operator and the Town agree that any increase or decrease in the Impact Fee shall be based on the escalation of

the aforementioned services in the area immediately surrounding the Facility, at a rate in excess of Town-wide escalation, unless mutually agreed upon by the Operator and the Town.

11. Filings with the Commonwealth: The Operator shall furnish the Town with the annual reports of the Gross Annual Revenue as described in Section 6, as soon as they become available, reflecting Gross Annual Revenue figures for the Facility and shall provide the Town with all copies of its periodic financial filings to the CCC and/or to the Massachusetts Department of Revenue documenting the Operator's Gross Annual Revenues, and shall furnish copies of its filings to the Secretary of the Commonwealth's Corporations Division, and if any, to the Massachusetts Office of the Attorney General.
12. Term: The term of this Agreement is five years, terminating on the fifth anniversary of the Sales Commencement Date, unless sooner terminated by:
 - a. revocation of Operator's license by the CCC; or
 - b. Operator's voluntary or involuntary cessation of operations; or
 - c. the Town's termination of this Agreement for breach of the conditions contained herein that remain uncured sixty (60) days from the date of written notice of such breach.
13. Renegotiation/Applicability: To the extent permitted by law: (a) the terms of this Agreement shall be renegotiated by the Owner and the Town in good faith following five (5) years of continuous operation of the Facility; and (b) the terms of this Agreement shall continue in full force and effect unless the parties reach accord on a subsequent agreement provided, however, that in no event shall the Operator be permitted to continue to operate the Facility after termination as set forth in Paragraph 12 above.
14. Property Valuation/Taxation: Operator shall not object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes and that, notwithstanding the foregoing, if:
 - a. any real or personal property owned or operated by OPERATOR is determined to be non-taxable or partially non-taxable, or
 - b. the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, or
 - c. OPERATOR 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

OPERATOR 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 full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the Impact Fee made by OPERATOR under this Agreement. The Operator shall not request any tax credits or subsidy from the Town for the Facility including, but not limited to, any request for a tax exemption or abatement as a non-profit entity and

shall not object or otherwise challenge the taxability of its entity and shall not object or otherwise challenge the taxability of the Facility.

15. Impact Fee as Compensatory: The Impact Fee referenced herein shall be compensatory to the Town for all impacts of the Operator's operation of the Facility in the Town, including all reasonable indirect costs. Nothing herein shall be construed to exempt the Facility from payment of local, state and federal taxes.
16. Local Hiring: To the extent permissible by law, Operator will make jobs available to local, qualified residents; and such residency will be a positive factor in hiring decisions, but this does not prevent Operator from hiring the most qualified candidates and complying with all employment laws and other legal requirements. In addition to the direct hiring, Operator will work in a good faith, legal and non-discriminatory manner to similarly consider local status of vendors, suppliers, contractors and builders from the Town area to be a positive factor in retaining such vendors.
17. Approval of On-Site Manager: If requested by the Town, Operator shall provide to the Town, for review and approval, the information set forth in 935 CMR 500.101(1)(b), of the person proposed to act as on-site manager of the Facility, which submittal shall include authorization to perform a criminal history (CORI) check. Within thirty (30) days of its receipt of the information set forth in 935 CMR.500.101(1)(b), the Town shall, in consultation with the Police Chief determine whether the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. Said approval shall be considered unreasonably denied if the Town denies such approval and the CCC has approved said on-site manager pursuant to the Regulations. Notwithstanding the foregoing, if Town does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, that on-site manager of the Facility shall be deemed approved by Town. This approval process shall also apply to any change of on-site manager. The current on-site manager is Connor McTaggart, and he shall be approved as part of this Agreement.
18. Prevention of Diversion: To the extent requested by the Town's Police Department, and consistent with the Regulations, Operator shall work with the Town's Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Operation Commencement Date. Such plan will include, but is not limited to, (i) training Facility employees to be aware of, observe, and report any unusual behavior in Facility employees that may indicate the potential for diversion; (ii) strictly adhering to CCC Regulations as to certification amounts and time periods; (iii) utilizing seed-to-sale tracking software to closely track all inventory at the Facility.
19. Security: To the extent requested by the Town's Police Department and Fire Department, and consistent with the Regulations, Operator shall work with the Town's Police Department and the Town's Fire Department to determine the placement of interior and exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each

direction of the public way(s) on which the Facility is located. Operator will maintain a cooperative relationship with the Police Department and the Fire Department, including but not limited to periodic meetings to review operational concerns, cooperation in investigations, and communication to Police Department of any suspicious activities on or in the immediate vicinity of the site. Such camera(s) may be altered by the CCC during their security and architectural review process.

20. Registration and Approvals Required: The obligations of Operator and the Town recited herein are specifically contingent upon the obtaining of a Certificate of Registration for the operation of a Marijuana Establishment from the CCC to operate in Town, and contingent upon all necessary local permits and approvals required, which are consistent with M.G. L. c. 94G, Section 5 and in effect as of the date specifically required by said section.
21. On-Site Consumption: The on-site consumption of marijuana products shall be prohibited.
22. Cooperation: Operator shall work cooperatively and in good faith with the Town in securing the prompt and efficient siting, planning, permitting and preparation for opening of the Facility. 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 for the Facility to operate in the Town, or to refrain from enforcement action against the Operator and/or its Facility for violation of the terms of said permits and approvals or said statutes, Bylaws and regulations.
23. Modification of Payments: Both the Operator and the Town understand and agree that a Marijuana Cultivator has a distinct and separate impact on a municipality and justify a difference in Host Community Agreement terms. Should Operator enter into an agreement with any other municipality for the siting of a facility with a Marijuana Cultivator license, at terms materially more favorable to that municipality than the terms of this Agreement are to Town, this Agreement shall be modified to reflect those terms. Notwithstanding the foregoing, should Operator enter into an agreement with any other municipality for the purpose of operating a Marijuana Retail Establishment, this Agreement shall be modified.
24. Location; Additional Operations: This Agreement applies to the proposed Marijuana Research Facility to be located at 424 Main Street, Cherry Valley, MA. This agreement will remain in force should the Operator chose to move or transfer operations to a different location within the Town. Should the Operator and the Town agree to allow the Operator to site another facility within the Town, the Operator and the Town shall agree to negotiate an additional agreement.

25. Assignment: Neither the Town nor the Operator shall 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 other party, which consent shall not be unreasonably withheld; provided however such consent shall not be required in the event such transfer or assignment is between the Operator and another entity which is authorized by the CCC to operate the Facility pursuant to a Certificate of Registration granted by it, or if such assignment or transfer is the result of a merger or consolidation with the Operator.
26. Agreement as to Agricultural Exemption: Operator agrees to comply with all laws, rules, regulations and orders applicable to the Facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits and approvals required for the operation of an Facility. The Operator agrees not to assert or seek exemption as an agricultural use under the provisions of from the requirements of the Town's Zoning Bylaws pursuant to M.G. L. c. 40A, § 3.
27. Retention of Regulatory Authority: By entering into this Agreement, Town does not waive any enforcement rights or regulatory authority it currently holds over any business in Town.
28. Notices: Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 of this Agreement or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.
29. Severability: If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
30. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the parties hereto submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
31. Entire Agreement: This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. 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.

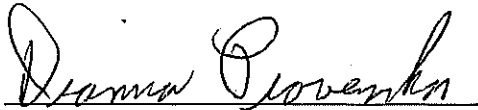
32. Confidentiality: Operator may provide to the Town certain financial information, investment materials, products, plans, documents, details of company history, know-how, trade secrets, and other nonpublic information related to Operator, its affiliates and operations (collectively, the "**Confidential Information**"). Town (inclusive of its employees, agents, representatives or any other of its affiliated persons) shall not, at any time during the term of this Agreement or thereafter, disclose any Confidential Information to any person or entity, except as may be required by court order or law (pursuant to M.G.L. c. 66 § 10), provided in all events, prior to such disclosure, the Town will notify Operator in writing of its intent to make such disclosure at least three (3) days in advance of any disclosure.
33. Waiver: The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.
34. Third Parties: Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either Town or the Operator.
35. Amendment: This Agreement may only be amended by a written document duly executed by both of the parties hereto. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the Town and the Operator.
36. Modifications: Modifications to this Agreement may only be effective if made in writing and signed by both of the parties hereto.
37. Headings: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.
38. Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.
39. Signatures: Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

[SIGNATURES TO FOLLOW]

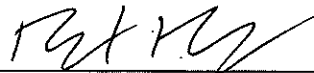
The following signature indicate that the parties hereby agree to the terms set forth in this Agreement as per the date set forth on page 1 of this Agreement.

For the Town of Leicester, Massachusetts:

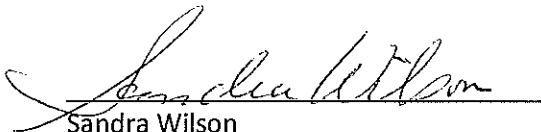
For Nor'easter Remedies:



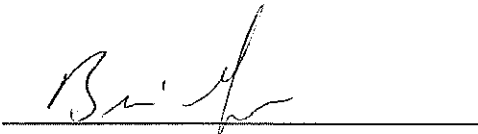
Dianna Provencher
Chair



By: Robert Harder
Its: Managing Partner



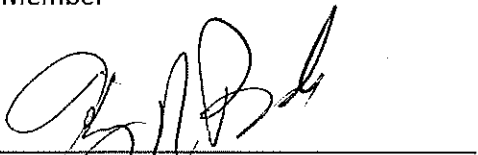
Sandra Wilson
Vice Chair



Brian Green
Second Vice Chair



Rick Antanavica
Member



Harry Brooks
Member

Approved as to Form:

Christopher J. Petrini, Town Counsel