

**HOST COMMUNITY AGREEMENT FOR THE SITING OF A MARIJUANA  
ESTABLISHMENT IN THE TOWN OF BOLTON**

THIS HOST COMMUNITY AGREEMENT (this "Agreement") is entered into this 28<sup>th</sup> day of October, 2021 (the "Effective Date") by and between the TOWN OF BOLTON, a Massachusetts municipal corporation acting by and through its Board of Selectmen, with a principal address of 663 Main Street, Bolton, MA 01740 (the "Town"), and GoodLeaf Holdings LLC, a Massachusetts limited liability company with a principal address of 528 Central Street, Framingham, MA 01701 (the "Company") (the Town and the Company are together the "Parties" and individually a "Party").

**Recitals**

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment, specifically a Marijuana Cultivator and Marijuana Product Manufacturer, as those terms are defined and used in M.G.L. c. 94G and 935 CMR 500.00 et seq., and the Zoning Bylaw of the Town of Bolton (the "Facility"), said Facility to be located at 58 Main Street, Bolton, MA, including all land, structures, and other items located at said address (the "Site") in accordance with the laws of the Commonwealth of Massachusetts and those of the Town;

WHEREAS, in accordance with M.G.L. c. 94G, § 3(d), any marijuana establishment seeking to operate in a municipality must execute an agreement with the host municipality setting forth the conditions to have the marijuana establishment located within the municipality and including the stipulations of responsibilities between the municipality and the marijuana establishment; and

WHEREAS, the Company desires to provide community impact fee payments to the Town pursuant to M.G.L. c. 94G, § 3(d) in order to address any reasonable costs imposed upon the Town by the Company's operations.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the mutual promises set forth below, the Parties agree as follows:

**Agreement**

1. **Community Impact Fee:** The Parties stipulate and agree that the Facility may impact the Town's resources in ways unique to such businesses and may uniquely draw upon the Town's resources, including but not limited to, law enforcement, fire protection services, and inspectional services, in a manner not shared by the general population and may cause additional unforeseen impacts upon the Town. Accordingly, in order to mitigate any such potential impacts upon the Town and the potential use of Town resources, the Company shall in good faith make certain payments to the Town as follows:

- a. **Community Impact Fee Payments.** During the term of this Agreement the Company shall pay to the Town a "Community Impact Fee" in an amount equal to two and one

half percent (2.5%) of the Gross Sales (defined below) of the Facility (the "Community Impact Fee Payments"). The Community Impact Fee Payments shall be made as follows:

- i. The Company shall make quarterly payments to the Town in the amount of two and one half percent (2.5%) of the Gross Sales of the Facility over a three-month period (each a "Quarterly Payment").
    - ii. The first Quarterly Payment shall be due 20 days after the close of the first full calendar quarter following commencement of operations of the Facility (the "Opening Date"), and each subsequent payment shall be due on the same day following each calendar quarter thereafter. The first Quarterly Payment shall include payment for the partial first quarter and the following full quarterly period.
  - b. Calculation of Gross Sales: The term "Gross Sales" shall mean the total of all marijuana transactions from the Facility, including wholesale sales, and shall be determined by arms-length wholesale sales made by the Facility and shall include all marijuana and marijuana products, including marijuana-infused products, paraphernalia, and any other products cultivated and/or processed at the Facility. In the event marijuana or marijuana products are sold or otherwise transferred by the Company to any marijuana establishment(s) located outside of the Town that is also owned and controlled by the Company or its affiliates, the pricing of such product for purposes of calculating the Community Impact Fee shall be the same as the pricing of same (or similar) products sold at wholesale to non-affiliated entities and shall otherwise comply with all applicable Cannabis Control Commission rules and regulations. The Company agrees that calculation of the Community Impact Fee in this manner will be subject to the statutory cap of three percent (3%) of gross sales under M.G.L. c. 94G §3(d) for these combined operations and the Company waives any claims to the contrary.
2. **Local Taxes:** At all times during the Term of this Agreement, property, both real and personal, owned or leased by the Company and located at the Facility shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord, and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property.
3. **Payments and Compliance with Agreement as Condition of Operation, Default and Remedy:**
- a. All payments required of the Company under this Agreement, including but not limited to the Community Impact Fee Payments and taxes, are necessary for the Company's continued operation of the Facility. Failure to make any required payments shall constitute a default of this Agreement and may serve as cause for the Town's immediate review, upon ten (10) business days' notice to the Company by the Town. The Company shall be in default of this Agreement if any of the following occur:

- i. The Company fails to make any payments required pursuant to this Agreement and such failure is not cured within ten (10) business days of written notification from Town; or
    - ii. The Company breaches any other provision of this Agreement and such failure is not cured within thirty (30) days of written notification from Town.
  - b. As a remedy for any such default, the Town may, among other remedies, revoke or limit the permission of the Company to operate in the Town and issue an order to cease and desist with all operations associated with the Facility upon such written notice from the Town. The Town's costs of enforcing against any such default, including the Town's attorneys' fees, shall be paid by the Company.
4. **Community Impact Fee Relative to Town Costs:** Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the Town by the operation of the marijuana establishment ..." ("Town Costs"). Notwithstanding the foregoing, the Parties acknowledge the difficulty of computing actual Town Costs and have agreed to the Community Impact Fee in lieu of attempting to determine actual Town Costs incurred. The Company acknowledges that the impacts of the Facility may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, the Company acknowledges that the payments due under this Agreement are reasonably related to Town Costs.
5. **Community Impact Fee as Other Municipal Charges:** The Community Impact Fee is expressly included as "other municipal charges" pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of the Company or agent thereof if the Company's name appears on a list furnished to the licensing authority from the Bolton Tax Collector of individuals delinquent on their taxes. Written notice must be given to the Company by the Bolton Tax Collector, as required by applicable provision of law, and the Company must be given the opportunity for a hearing not earlier than fourteen (14) days after said notice.
6. **Use of Community Impact Fee:** The Town may expend the Community Impact Fee at the Town's sole and absolute discretion.
7. **Community Support and Additional Obligations:**
- a. **Local Vendors.** To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use good faith efforts in a legal and non-discriminatory manner to give priority to qualified local businesses and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility. Notwithstanding the foregoing, residency within the Town will be one of several factors in hiring decisions at the Facility but shall not be determinative and shall not prevent the Company from engaging services from the most qualified vendors.
  - b. **Employment/salaries.** Except for senior management, and to the extent such

practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire qualified residents of the Town as employees at the Facility. Notwithstanding the foregoing, residency within the Town will be one of several factors in hiring decisions at the Facility but shall not be determinative and shall not prevent the Company from hiring the most qualified candidates.

- c. Compliance with Local Law. The Company shall work cooperatively with all necessary Town boards, commissions, committees, officers, or officials to ensure that the Company's operations are compliant with the ordinances, regulations, and policies of the Town. This Agreement does not waive, limit, control, or in any way affect the legal authority of any Town board, commission, committee, officer, or official to regulate, authorize, restrict, inspect, investigate, enforce against, or issue, deny, suspend, or revoke any permit, license or other approval with respect to, the Company or the Site, nor does it waive, limit, control, or in any way affect the legal authority of the Bolton Police Department to investigate, prevent, or take action against any criminal activity with respect to the Company or the Site. Nothing in this Agreement presumes, implies, suggests, or otherwise creates any promise either that the Company shall obtain or retain any or all local permits, licenses, and other approvals that are required in order to operate at the Site.
- d. Diversion Prevention Program. To the extent reasonably requested by the Bolton Police Department, and consistent with the regulations of the Cannabis Control Commission, the Company shall work with the Bolton Police Department to implement a diversion prevention plan to prevent diversion, such plan to be in place prior to the Opening Date. Such plan will include but is not limited to: (i) training the Company's employees to be aware of, observe, and report any unusual behavior in authorized visitors or other employees that may indicate the potential for diversion, and (ii) utilizing tracking software to closely track all inventory at the Facility.
- e. Processing Payment. The Company agrees to make a one-time payment to the Town of \$3,000 to cover the Town's expenses relating to the negotiation and approval of this Agreement. The Processing Payment shall be paid to the Town upon the execution of this Agreement.
- f. Indemnification. Upon the Effective Date, the Company shall defend, indemnify, and hold harmless the Town, its officers, employees, and agents ("Indemnified Parties") against any claims, actions, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits against or involving the Indemnified Parties, including reasonable attorneys' fees, reasonable experts' fees, and associated court costs ("Liabilities") that arise from or relate in any way to (i) this Agreement as it relates to any challenge or action under federal law or regulation, or (ii) the Facility, unless the Indemnified Parties are covered by an Insurance Policy issued to Town of Bolton that covers the Liabilities. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Town which would exist at common law or under other provisions of this Agreement. This indemnification shall survive the

g. Water Usage. The Company's usage of water at the Site shall not have a negative impact on private wells located within 1,000 feet of the Site. Complaints received by the Town concerning negative impacts on private wells located within 1,000 feet of the Site resulting from the Facility's usage of water and submitted to the Company for a response must be addressed reasonably and expediently by the Company.

h. Noise. The Company shall comply with all noise regulations of the Commonwealth of Massachusetts. Complaints received by the Town concerning excessive noise and submitted to the Company for a response must be addressed reasonably and expediently by the Company.

## 9. Security:

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system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

- c. The Company shall coordinate with the Bolton Police Department in the development and implementation of required security measures, including the determination of the placement of security cameras, and the sharing of security information. The Company will maintain a cooperative relationship with the Bolton Police Department, including but not limited to, periodic meetings to review operational concerns and communication with the Bolton Police Department of any suspicious activities at the Facility.

**10. Odor Control:** The Company agrees to contain all marijuana-related odors, if any on site through use of odor control technologies, including but not limited to appropriate ventilation and air handling equipment and odor resistant packaging. Complaints received by the Town concerning odors that are detectable off of the Site and submitted to the Company for a response must be addressed reasonably and expediently by the Company.

**11. Term and Termination:**

- a. This Agreement shall take effect on the Effective Date.
- b. Notwithstanding the default remedies of the Town set forth in Section 3 of this Agreement, in the event the Company (i) permanently ceases operation of the Facility, (ii) in any way loses or has its license(s) permanently revoked by the Cannabis Control Commission, or (iii) fails to comply with the terms of this Agreement and such failure is not cured within thirty (30) days of the Company receiving written notice from the Town of the Company's failure to comply, the Town may terminate this Agreement upon (10) days written notice to the Company.
- c. This Agreement shall terminate, with notification of such status submitted by the Town to the Cannabis Control Commission, should any of the following occur:
  - i. The Company is not granted a Special Permit authorizing the operation of the Facility by the Bolton Planning Board in accordance the Town of Bolton Zoning Bylaw within twelve (12) months of the Effective Date of this Agreement.
  - ii. The Company fails to commence the operation of the Facility within twenty-four (24) months of the Effective Date of this Agreement; provided, however, that Cannabis Control Commission delays in the processing of the Company's application that are not a result of the Company's actions or inactions shall not qualify as a cause for termination.

The Bolton Board of Selectmen may grant an extension of any of these deadlines, not to be unreasonably withheld, such that this Agreement shall remain in full force and effect, provided that the Company has continued to act in good faith to commence

operation of the Facility. Such extension shall be set forth in a letter from the Bolton Board of Selectmen.

Between the Effective Date and the start of operations at the Facility, the Company shall provide written updates concerning its application status to the Town not less than once every three months.

- d. Unless earlier terminated, this Agreement shall continue in effect until a final Community Impact Fee Payment is accepted by the Town covering gross sales for the final quarter of the Company's fifth (5th) year of operation of the Facility following the Opening Date, prorated as necessary, such that the Company's obligation to make the Community Impact Fee Payments shall not be effective for more than five (5) years following the Opening Date (the "Term").
- e. Upon the fourth (4th) anniversary of the Effective Date, the Parties shall negotiate in good faith a new host community agreement to succeed this Agreement, unless such a successor agreement is prohibited by law.

## **12. Limitation of Operations:**

- a. This Agreement authorizes and governs the operation of the Facility as specifically defined in this Agreement. The Company shall not expand the Facility in any way, including but not limited to adding retail operations at the Site, without notifying the Town and entering good faith negotiations to amend this Agreement, provided that any such amendment shall not result in a decrease in the Community Impact Fee due to the Town under this Agreement.
- b. The Company shall not seek licensure for or seek to operate any type of marijuana establishment at any other location within the geographic boundaries of the Town without first entering into a separate host community agreement with the Town.

**13. Successors/Assignment:** The qualifications and identity of the Company is of particular concern to the Town and it is because of the Company's qualifications and identity that the Town has entered into this Agreement with the Company. The Company shall not assign or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town, said consent not to be unreasonably withheld. If the Company wishes to assign this Agreement to another entity, then it shall provide written notice to the Town, in which it shall also provide information on the prospective assignee. The Town shall have fifteen (15) days to identify any concerns with the prospective assignee, but the Town shall not unreasonably condition, postpone, or withhold its consent. No voluntary or involuntary successor in interest of the Company shall acquire any rights or powers under this Agreement without the prior written consent of the Town. Any change in control of the Company resulting from a merger, consolidation, stock transfer, or asset sale, or a change in the name of the Company, shall not be deemed an assignment or transfer for purposes of this Agreement that requires the Town's prior written consent. Notwithstanding the foregoing, the Town acknowledges that the Company may apply for one or more cannabis licenses relating to

the Facility through one or more wholly-owned, single-member limited liability company subsidiaries, and in such event and following prompt notice to the Town, such wholly-owned, single-member limited liability company subsidiaries shall automatically become additional parties to this Agreement as additional parties comprising the "Company", and shall be subject to all of the provisions, terms and conditions hereof (including this Section 13).

14. **No Joint Venture:** The Parties agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.
15. **No Right in Third Parties:** This Agreement is not intended to, nor shall it be construed to create any rights in any third parties.
16. **Governing Law:** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the principles of conflicts of law, and the Company submits to the jurisdiction of a court of competent jurisdiction in Worcester County for the adjudication of disputes arising out of this Agreement. The Parties expressly waive any defense to enforcement based upon nonconformance with federal law regarding the illegality of marijuana.
17. **Headings:** The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.
18. **Amendments/ Waivers:** Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all of the Parties. 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.
19. **Severability:** If any term or condition of the 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.
20. **Right to Reopen:** If under applicable Massachusetts law the terms of this Agreement are determined to any extent to be illegal, otherwise invalid, or incapable of being enforced, which unenforceability would materially and adversely affect the economic substance of the transactions contemplated by this Agreement, the Town and the Company shall negotiate in good faith amendments to this Agreement so as to result in neutral economic impact to both the Town and the Company.



**21. Entire Agreement:** This Agreement constitutes the entire integrated agreement between the Parties with respect to the matters described, and 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.

**22. Notices:** Except as otherwise provided in this Agreement, any notices given under this Agreement shall be addressed as follows:

**The Town:** Town Administrator  
Bolton Town Hall  
663 Main Street  
Bolton, MA 01740

**With a copy to:** Town Planner Bolton Town Hall  
663 Main Street  
Bolton, MA 01740

**Company:** Benjamin James, Manager  
GoodLeaf Holdings, LLC  
528 Central Street  
Framingham, MA 01701

**With a copy to:** Precision Corporate Services, Inc.  
44 School Street, Suite 325  
Boston, MA, 02108

Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Post Office, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight courier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by email, if the sender receives reply email confirming such delivery has been successful and the sender mails a copy of such notice to the other Party by U.S. first-class mail on such date.

**23. 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 may execute this Agreement by signing one or more counterparts.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

TOWN OF BOLTON

A handwritten signature in blue ink, appearing to read "Donald Lowe", written over a horizontal line.

Donald Lowe, Town Administrator

GOODLEAF HOLDINGS LLC

A handwritten signature in blue ink, appearing to read "Benjamin James", written over a horizontal line.

Benjamin James, Manager

Duly Authorized by Vote of the  
Bolton Board of Selectmen on

October 28, 2021