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SELECTMEN'S OFFICE  
ARLINGTON, MA 02479

2019 MAY -3 AM 11:18

May 2, 2019

City of Arlington  
Select Board

RE: Metro Harvest Inc.

Application for Marijuana Establishment Host Community Agreement  
1306-1308 Massachusetts Ave.

Dear Select Board,

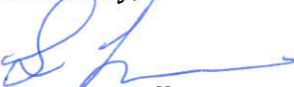
Please find a complete application for a Marijuana Establishment Host Community Agreement proposal by Metro Harvest for 1306-1308 Massachusetts Ave. along with all the supporting documents required. I have thoroughly reviewed all the permitting documents provided by the city, I'm impressed by the thoughtful and well-planned process the city leadership has created to vet the applying companies and locations.

We spent a great deal of time searching for the ideal locations for our stores. From the beginning Arlington was on the top of our list as a community that fit all our criteria; thoughtful zoning, demographics, proximity to Boston, urban environment, ample street parking and a unique character and culture that fit perfectly with our company ideals.

In building the Metro Harvest team, I was careful to make sure that the people we selected had long track records of success in all aspects of the operations. I know from experience that success is predicated on both great operations and product development. I interviewed dozens of consultants and applicants before choosing to engage Northeast Alternatives, Inc.'s services. They are professional and experienced in all the critical areas that will ensure Metro Harvest's success.

Metro Harvest put a lot of time into vetting properties in Arlington, ultimately choosing 1306-1308 Massachusetts Ave. as the best location. It's conveniently located in the retail village in a dominant commercial area that meets the zoning requirements. There is a toddler park inside the 300-foot set back, however the only possible traveled way to access the park from 1306-1308 Massachusetts Ave is over 300 feet. Metro Harvest takes very seriously being an upstanding member of the communities we serve. We very much look forward to working with the City leadership through this process.

Sincerely,



Steve LaBelle  
Metro Harvest CEO

TOWN OF ARLINGTON

2019 MAY -3 AM 11:18



**MARIJUANA ESTABLISHMENT HOST COMMUNITY AGREEMENT (HCA)  
LICENSE APPLICATION**

*\*\*\*Notice: The following application is for the limited purpose of vetting individuals and businesses seeking a Host Community Agreement with the Town of Arlington. Applicants are encouraged to read the Select Board's "Host Community Agreement Process & Criteria" for a full articulation of the HCA Selection Process in Arlington.\*\*\**

**Section 1. Applicant Information:**

Business Legal Name: Metro Harvest, Inc.

Business DBA, if different: \_\_\_\_\_

Business Address: 292 Bedford St.

Phone: 508-326-4896 Website: N/A

Federal Employer Identification Number (EIN): 83-4384488

Does the business currently possess any type of marijuana license in the Town of Arlington? ☐ Yes ☒ No

If yes, describe: \_\_\_\_\_

Does the business currently possess any type of marijuana license in the Commonwealth? ☐ Yes ☒ No

If yes, describe: \_\_\_\_\_

*(please note, subsidiary companies must identify any and all marijuana licenses held by parent companies/corporations in Massachusetts)*

Primary Contact Name: Steve LaBelle

Mailing Address: 5 Lane Rd. East Freetown, MA02717

Email: stevlabelle@gmail.com Phone: 508-326-4896

Emergency Contact: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

If you would like mail sent to a different Address, provide alternate mailing information below:

Mailing Contact Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

### A. Business Organization

*Check only one and provide names as indicated:*

☐ **Sole Proprietor:** Name of Owner: \_\_\_\_\_

☐ **Partnership (Inc. LLP):** Name of Partnership: \_\_\_\_\_

Names of all Partners Who Own More Than 10%: \_\_\_\_\_

☐ **Trust:** Name of Trust: \_\_\_\_\_

Names of All Trustees Who Own More Than 10%: \_\_\_\_\_

☒ **Corporation (as registered):** Metro Harvest, Inc.

Name of President: Steve LaBelle

Name of Secretary: Thomas J. Gosselin Name of Treasurer: Jill Stucchie

☐ **LLC:** Name of LLC: \_\_\_\_\_

Name of All Managers Who Own More Than 10%: \_\_\_\_\_

☐ **Other:** (Attach a Description of the Form of Ownership and the Names of Owners)

## **B. Proposed Marijuana Establishment**

- ☒ Adult-Use Marijuana Retailer
- ☐ Registered Marijuana Dispensary/Medical Marijuana Treatment Center
- ☐ Co-Located Adult-Use/Medical Marijuana Retailer
- ☐ Marijuana Cultivator
- ☐ Craft Marijuana Cooperative
- ☐ Marijuana Product Manufacturer
- ☐ Independent Testing Laboratory
- ☐ Marijuana Research Facility



## Section 2. Priority Status:

### *For Marijuana Retailers Only*

- ☐ **Group A Priority.** Attach proof that the applicant is 1) an Economic Empowerment Applicant, 2) is owned by an Arlington resident(s) or entities with at least 50% of its ownership made up of Arlington residents, or 3) is a cooperatively-owned entity.

An Economic Empowerment Applicant is one who meets ***at least three (3)*** of the following criteria:

- (1) A majority of ownership belongs to people who have lived for 5 of the preceding 10 years in an area of disproportionate impact, as determined by the MA CCC;
- (2) A majority of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education , resource provision or empowerment to disproportionately impacted individuals or communities;
- (3) At least 51% of employees or subcontractors reside in areas of disproportionate impact and by the first business day, the ratio will meet or exceed 75%;
- (4) At least 51% of the employees or subcontractors have drug-related CORI and are otherwise legally employable in cannabis enterprises;
- (5) A majority of ownership is made up of individuals of Black, African American, Hispanic or Latino descent;
- (6) Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in area of disproportionate impact.

- ☐ **Group B Priority.** Attach proof that your company is a Registered Marijuana Dispensary currently operating in Arlington that will continue selling medicinal products.

- ☒ **No Priority.** All applicants who are not Group A or B should check here.

### Section 3. Operating Questionnaire

*The following questions provide applicants an opportunity to respond to the qualitative criteria established by the Select Board for considering applications, which are as follows:*

- a. Completeness and quality of application;
- b. Demonstrated direct experience in the cannabis industry or a similar industry, such sensitive retail and related commercial uses – package stores, establishments with other types of alcohol licenses or age-restricted products;
- c. Relevant business experience in Arlington;
- d. Relevant business experience in the Commonwealth of Massachusetts;
- e. A sound preliminary business plan which evidences applicants' financial resources, proposed scale of operation, inventory sources and plans for inventory management, as well as anticipated costs and revenues;
- f. A strong employee training process and plan to ensure regulatory compliance;
- g. A sound preliminary security plan including inventory security;
- h. A sound preliminary traffic and parking plan demonstrating basic feasibility of the site and/or intended traffic and parking mitigation measures;
- i. For adult-use applicants, intention to co-locate RMD operations to ensure access to Arlington medical marijuana patients;
- j. Commitment to youth safety, abuse prevention, and community education;
- k. Commitment to diversity and local hiring; and
- l. Maintenance of geographic balance in the distribution of marijuana establishments.

*Applicants are encouraged to provide specific information which speaks to each criterion/question. You may respond with separate attached documents as directed and needed.*

1. Describe your direct experience in the cannabis industry or a similar industry (such as sensitive commercial retail enterprises such as package stores, nicotine products, etc.)

Please see Attachment 1

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2. Describe your business experience in Arlington if any.

No direct experience in Arlington.

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3. Describe your experience operating a business within the Commonwealth of Massachusetts.

Please see Attachment 3

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4. Provide a preliminary business plan<sup>1</sup> with particular attention to your proposed scale of retail operation, inventory sources, products to be sold, plan for inventory management, financial resources, marketing expectations, and anticipated costs and revenues (*please attach your full preliminary plan*). Please see Attachment 4

5. Describe your employee training process and plan to ensure regulatory compliance. If available, provide copies of any employee training manuals or policies to employ or plan to employ.

Please see Attachment 5

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<sup>1</sup> Preliminary business, security, and traffic and parking plans need not provide the level of detail subsequent permitting processes will require such as a traffic study or all documents and information required by the Cannabis Control Commission for state licensure. The Select Board should however understand your basic business model and plans for addressing reasonable concerns about parking, security, and management of the flow of anticipated activity at your proposed location.



6. Provide a preliminary security plan identifying your priority security concerns and any site-specific security issues and proposed means of addressing them (please attach your full preliminary plan).

*Please see Attachment 6*

7. Provide a preliminary traffic and parking plan demonstrating basic feasibility of the site and/or intended traffic and parking mitigation strategies (please attach your full preliminary plan).

*Please see Attachment 7*

8. Describe how you will prevent and educate youth and families about dangers of underage exposure to, and the consumption of, recreational marijuana. Describe how the Applicant will sustain these efforts over time.

*Please see Attachment 8*

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9. Describe how you will inform customers about restrictions on public consumption and workplace use, the risk of second hand smoke, and dangers of operating a motor vehicle while impaired.

*Please see Attachment 9*

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10. Describe the number and type of jobs expected to be created by your business in Arlington, and how you will attract a local workforce that is also reflects Arlington's commitment to diversity.

*Please see Attachment 10*

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11. Describe how your business will support the unique character of your site location's neighborhood, as well as the Town's overall character, history, and culture.

Please see Attachment 11

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Responsive applicants shall also be invited to make a 20-minute presentation to the Select Board after all applications have been received and examined by a Preliminary Review Team. In addition to the foregoing, the presentation will provide applicants an opportunity to address those matters you believe present the best case for your business seeking one of a limited number of licenses.

**Section 4. Site Control Certification and Authorization:**

*If the property has more than one owner, each owner must sign a copy of this form:*

Street Address of Business Location: 1308 Massachusetts Avenue, Arlington, MA 02476

Zoning District and Overlay District, if any: B3

Assessor's Map 170 Block: 2 Lot 0002.0 Ward \_\_\_\_\_

Property Owner's Legal Name: 1306-1308 Mass Ave. Real Estate Trust

Property Owner's Mailing address (with zip code): 163 Hillside Ave., Arlington, MA 02476

Property Owner's Type of Business (Check Only One and Provide the Names Indicated):

☐ **Sole Proprietorship:** Name of Owner: \_\_\_\_\_

☐ **Partnership (inc., LLP):** Name of Partnership: \_\_\_\_\_

☐ Names of All Partners Who Own More Than 10%: \_\_\_\_\_

☒ **Trust:** Name of Trust: 1306-1308 Mass Ave. Real Estate Trust

Names of All Trustees Who Own More Than 10%: Nicholas Perhandis

☐ **Corporation:** Name of Corporation: \_\_\_\_\_

Name of President: \_\_\_\_\_

I certify that:

☒ I am the property owner or that I am duly authorized to act as agent for the property owner, For the property Located at 1308 Mass Ave, Arlington, MA 02476.

☒ Metro Harvest Inc (legal name of Applicant) Has been authorized by me to develop and use the property listed above for the purposes indicated in this application.

☒ I will permit any officials representing the Town to conduct site visits on the property in connection with this application and, if approved, this applicants business.

☒ Should the ownership of this property change before the Town has acted on this application, I will provide updated information and new copies of this signature page.

Owner Signature: Nicholas Perhanidis Date: 4/29/2019

Print Name: Nicholas Perhanidis

Title (Owner, Present, Agent, Etc.): Trustee with Authority

Email: tperhanidis@gmail.com Phone: 781-883-7484

# LETTER OF INTENT

THIS LETTER OF INTENT (the "Document") made as of this 6<sup>th</sup> day of March, 2019 (the "Execution Date"),

**BETWEEN:**

Stephen LaBelle/ or Assignee of 292 Bedford St Bridgewater, Ma 02324, and

Thomas Gosselin/ or Assignee of 292 Bedford St Bridgewater, Ma 02324

(individually the "Tenant" and collectively the "Tenants")

- AND -

Nick Perhanidis of 163 Hillside Ave Arlington, Ma 02476

(the "Landlord").

**BACKGROUND:**

- A. The Landlord is the owner of commercial property that is available for lease.
- B. The Tenants wish to lease commercial property from the Landlord.

This Document will establish the basic terms to be used in a future lease agreement ("the Lease") between the Landlord and the Tenants. The terms contained in this Document are not comprehensive and it is expected that additional terms may be added, and existing terms may be changed or deleted. The basic terms are as follows:

**Transaction Description**

1. The commercial property that is the subject of this Document (the "Property") is located at:
  - 1306-1308 Massachusetts Ave Arlington, Ma 02476.

**Rent and Term of Lease**

2. The Lease will commence on the 1<sup>st</sup> day of April 2019
3. The rent will be \$25 psf or \$6,875 USD payable monthly in advance refer to (additional term 7)



4. The Lease will terminate on the 1<sup>st</sup> day of April 2023 at which time the option to purchase may be exercised. Refer to (additional terms 8)

**Terms and Conditions**

5. The Tenants accept the Property in its current state and condition without any further work, repairs. All improvements will be at the Tenants sole expense.
6. The Tenant reserves the right to sublease the property or any portion of the property.

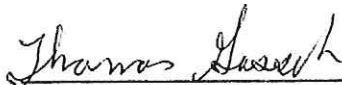
**Additional Terms**

7. Inconsideration of \$12,500 the Tenant shall have up to 6 months to complete and obtain all State and Local Licenses including Marijuana Host Agreement, complete construction. If the Tenant has not completed the above, they shall have the right to extend such terms for an additional 6 months for an additional \$12,500.
8. The Tenant shall the option to purchase the property for \$1,300,000 in the 4<sup>th</sup> year of the Lease. In addition, the Landlord is willing to hold a Mortgage for 5 years in the amount of \$1,040,000 at an interest rate of Prime Rate reported by the WSJ minus 1 percent.

This Document accurately reflects the understanding between Landlord and the Tenants, signed on this 6<sup>th</sup> day of March 2019.



Stephen LaBelle/or Assignee (Tenant)



Thomas Gosselin/ or Assignee (Tenant)



Nick Perhanidis (Landlord)

1306-1308 MASS AVE REALTY TRUST

## Section 5. Zoning Compliance

*HCA Applicants are reminded that the Arlington Zoning Bylaw permits marijuana business only in those districts set forth in tables 5.5.3 and 5.6.3 subject to special permit requirements and review, and further by default do not permit marijuana establishments within 500 feet of k-12 schools, within 300 feet of Town playgrounds and recreational facilities, and/or within 200 feet of a public library.<sup>2</sup>*

HCA applicants must certify that the site described in Section 4, to the best of their knowledge complies with sections 5.5.3, 5.6.4, and 8.3 of the Arlington Zoning Bylaw with respect to siting restrictions.

I Steve LaBelle, owner or duly authorized agent of Metro Harvest, Inc. (legal name of Applicant, hereby certify that:

☒ The proposed site of the Marijuana Establishment as described in this application is within an allowable Zoning District for my intended use.

☒ The proposed site of the Marijuana Establishment as described in this application is **not within:**

- 500 feet of a k-12 public or private school;
- 300 feet of Town of Arlington playgrounds or recreational facilities; and/or (see statement)
- 200 feet of a Town of Arlington public library.\*

*\*If a proposed site is within one of the buffer zones set forth in the Zoning Bylaw, applicants must provide a clear statement providing substantial evidence that an exception (which is purely within the discretion Arlington Redevelopment Board) is feasible due to site-specific conditions.*

Owner Signature: [Signature] Date: 5/2/19

Print Name: Steve LaBelle

Title (Owner, Present, Agent, Etc.): President

Email: stevelabelle@gmail.com Phone: 508-326-4896

*Marijuana Establishments are also not permitted within 2,000 feet of another like establishment. The Arlington Redevelopment Board may, but is not required to grant relief from buffer zone requirements as set forth in section 8.3.B.2 of the Zoning Bylaw.*

***RESPONSE:***

11: The proposed site, the former Embassy Cleaners building, is located at 1306-1308 Massachusetts Avenue near the corner of Davis St. The rear of the property abuts the toddler park located on Davis St, this will technically require an exception from the Arlington Redevelopment Board. There is a dramatic elevation change of ledge cliff that is at least 30 feet tall broken into three tiers between the properties (image attached). The only traveled way between the properties is by way of the public sidewalks on Massachusetts Ave. to Davis St. The travel distance between 1306-1308 Massachusetts Ave, to the corner of the toddler park is approximately 360 linear feet. The land between the properties is heavily wooded and a six-foot privacy fence will be installed for added screening. The building shall have no rear entrance or signage. The proximity to the facility will not be detrimental to the toddler park.

The Building will be completely rehabilitated to improve the structure, as well as a redesign of the front and east side façade to improve the visual appearance from Massachusetts Avenue. As Arlington Heights has a history and culture of storefront retail shops the proposed facility will continue that culture.







**Section 6. Local & State Regulatory Compliance Information:**

*Each individual (e.g. partner, trustee, manager) with a 10% or greater ownership stake in the business must complete a separate copy of this form.*

Owner's Name: Steve LaBelle Ownership Stake (%) 50%

1. Has the Owner ever obtained a marijuana related license in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

2. Has the Owner ever had any type of license denied, revoked or Suspended in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

3. Has the Owner ever received a Notice of Violation in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

4. Has the Owner been in compliance for the last 3 years (or since being in business in Massachusetts, whichever is less), and is the Applicant currently in compliance, with all laws and regulations of the Commonwealth of Massachusetts? ☒ Yes ☐ No

If no, explain: \_\_\_\_\_

5. Has the Owner been in compliance for the last 3 years (or since being in business in Arlington, whichever is less), and is the Applicant currently in compliance, with all laws and regulations of the Town of Arlington? ☒ Yes ☐ No

If no, explain: \_\_\_\_\_

6. Has the Owner been charged in any jurisdiction with any form of wage theft in the last three (3) years? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

**Section 6. Local & State Regulatory Compliance Information:**

*Each individual (e.g. partner, trustee, manager) with a 10% or greater ownership stake in the business must complete a separate copy of this form.*

Owner's Name: Thomas J. Gosselin Ownership Stake (%) 50%

1. Has the Owner ever obtained a marijuana related license in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

2. Has the Owner ever had any type of license denied, revoked or Suspended in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

3. Has the Owner ever received a Notice of Violation in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

4. Has the Owner been in compliance for the last 3 years (or since being in business in Massachusetts, whichever is less), and is the Applicant currently in compliance, with all laws and regulations of the Commonwealth of Massachusetts? ☒ Yes ☐ No

If no, explain: \_\_\_\_\_

5. Has the Owner been in compliance for the last 3 years (or since being in business in Arlington, whichever is less), and is the Applicant currently in compliance, with all laws and regulations of the Town of Arlington? ☒ Yes ☐ No

If no, explain: \_\_\_\_\_

6. Has the Owner been charged in any jurisdiction with any form of wage theft in the last three (3) years? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

**Section 6. Local & State Regulatory Compliance Information:**

*Each individual (e.g. partner, trustee, manager) with a 10% or greater ownership stake in the business must complete a separate copy of this form.*

Owner's Name: Jill Stucchie Ownership Stake (%) 0%

1. Has the Owner ever obtained a marijuana related license in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

2. Has the Owner ever had any type of license denied, revoked or Suspended in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

3. Has the Owner ever received a Notice of Violation in any jurisdiction? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

4. Has the Owner been in compliance for the last 3 years (or since being in business in Massachusetts, whichever is less), and is the Applicant currently in compliance, with all laws and regulations of the Commonwealth of Massachusetts? ☒ Yes ☐ No

If no, explain: \_\_\_\_\_

5. Has the Owner been in compliance for the last 3 years (or since being in business in Arlington, whichever is less), and is the Applicant currently in compliance, with all laws and regulations of the Town of Arlington? ☒ Yes ☐ No

If no, explain: \_\_\_\_\_

6. Has the Owner been charged in any jurisdiction with any form of wage theft in the last three (3) years? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_



**TOWN OF ARLINGTON AND METRO HARVEST, INC.**  
**HOST COMMUNITY AGREEMENT**

THIS HOST COMMUNITY AGREEMENT ("AGREEMENT") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019 by and between Metro Harvest, Inc., and any successor in interest, with a principal office address of 292 Bedford Street, Bridgewater, Massachusetts 02324 ("Company") and the Town of Arlington, a Massachusetts municipal corporation with a principal address of 150 Concord St #129, Arlington, Massachusetts 01701, ("the Town"), acting by and through its Board of Selectmen in reliance upon all of the representations made herein.

WHEREAS, the Company wishes to locate a licensed Recreational Marijuana Establishment ("RME") for the Retailing of recreational marijuana located at 1306-1308 Massachusetts Ave, Arlington, MA (the "Facility"), in accordance with and pursuant to applicable state laws and regulations, including, but not limited to 935 CMR 500.00, and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission (the "CCC") or such other state licensing or monitoring authority, as the case may be; to operate the RME and receives all required local permits and approvals from the Town;

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the RME, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

**1. Recitals**

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

**2. Annual Payments**

In the event that the Company obtains the requisite licenses and/or approvals as may be required for the operation of a RME, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to locate, occupy and operate the RME in the Town, then the Company agrees to provide the Annual Payments set forth below.

**A. Community Impact Fee**



The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay an Annual Community Impact Fee to the Town, in the amount and under the terms provided herein.

1. Company shall annually pay an Annual Community Impact Fee in an amount equal to three percent (3%) of gross sales from Adult Use Recreational Marijuana. The term "gross sales" shall mean the total of all Marijuana retail sales transactions of the Facility without limitation, including the sale of marijuana, marijuana infused products.
2. The Annual Community Impact Fee shall be made quarterly per the Town's fiscal year (July 1- June 30). If necessary, the Annual Community Impact Fee for the first quarter of operation shall be prorated. The quarterly payment shall be made within 30 days following the end of each 3 months of operation, and shall continue for a period of five (5) years. Nine months (9) prior to the conclusion of each of the respective five year terms, the parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement. Said Amendment shall be in place at least six (6) months prior to the expiration of the five (5) year term.
3. The Town shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, permitting and consulting services, and any other impacts upon the Town.

A. Additional Costs, Payments and Reimbursements

In addition to the Annual Community Impact Fee, the Company agrees to pay the following under the condition of the local permit:

1. The Company shall pay the Town a one-time payment of \$50,000.00. Said payment is due three months after the date of the first sale at the Facility. This payment shall not become due if already paid to the Town of Arlington under a Host Community Agreement for the same Company and facility. The parties hereby recognize and agree that this one-time payment to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).
2. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's building permit fee and other permit application fees, sewer and water connection fees, and all

other local charges and fees generally applicable to other commercial developments in the Town.

3. Facility Consulting Fees and Costs: The Company shall reimburse the Town for any and all reasonable third-party consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility.
4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town to third parties in connection with holding public meetings and forums substantially devoted to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.
5. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made with ten (10) days following written notice of non-payment, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

C. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, shall annually contribute to public local charities/non-profit organizations in the Town an amount no less than \$50,000, said charities/non-profit organizations to be determined by the Board of Selectmen in its reasonable discretion. The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first anniversary following the commencement of the operations, and shall continue for the term of this Agreement. The Company is willing to negotiate additional contributions if the City if it's in the best interest of the City and the Company.

1. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall submit annual financial statements to the Town within 30 days after the payment of its Annual Community Impact Fee with a certification of its annual sales of Adult Use Marijuana. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC



and Department of Revenue for purposes of obtaining and maintaining a license for the Facility.

### **3. Local Vendors and Employment**

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the RME when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

### **4. Local Taxes**

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company 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 and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company 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 the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

### **5. Security**

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the RME, and with regard to any anti-diversion procedures.



To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the commencement of operations at the Establishment.

#### **6. Community Impact Hearing Concerns**

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time, shall be reviewed and approved by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

#### **7. Additional Obligations**

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a license for the operation of a RME in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the RME in the Town, provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this agreement.

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 a co-located RME to operate in the Town, or to refrain from enforcement action against the Company and/or its co-located RME for violation of the terms of said permits and approvals or said statutes, Bylaws, and regulations.

#### **8. Re-Opener/Review**

The Company or any "controlling person" in the Company, as defined in 935 CMR 500.02, shall be required to provide to the Town notice and a copy of any other Host Community Agreement entered into for any establishment in which the Company, or any controlling person in the Company, has any interest and which is licensed by the CCC as the same type of establishment as the entity governed by this agreement.

#### **9. Support**

The Town agrees to submit to the CCC, or such other state licensing or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license to operate the Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

#### **10. Term**

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates a RME in the Town with the exception of the Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

#### **11. Successors/Assigns**

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the Town nor the Company shall assign, sublet, or otherwise transfer any interest in the Agreement without the written consent of the other.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

#### **12. Notices**

Any and all notices, consents, demands, requests, approvals 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, and 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.

To Town]:

Board of Selectmen

[Signatures to follow]

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

TOWN OF ARLINGTON  
BOARD OF SELECTMEN

METRO HARVEST, INC

\_\_\_\_\_  
Steve LaBelle, President  
Duly Authorized

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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## Northeast Alternatives' Resume

Northeast Alternatives, Inc. (henceforth referred to as the "Company" or "NEA") was formed in 2016 with a mission to offer the highest quality medical marijuana (MMJ) to Certified Patients and Caregivers in Massachusetts through state and locally approved Registered Marijuana Dispensaries (RMD). On April 24, 2018 NEA received a Final Certificate of Registration from Massachusetts Department of Public Health (DPH) for an RMD in the city of Fall River and opened for patient sales June 30, 2018. In May 2018, NEA was accepted and registered as a priority applicant with the Cannabis Control Commission (CCC). Simultaneously, NEA successfully negotiated a second Host Community Agreement and letter of non-opposition from the City of Fall River for recreational marijuana Cultivating, Manufacturing and Retailing. This paved the way for NEA to submit one of the first complete applications for licensure to the CCC. On August 24, 2018, NEA was granted the seventh adult-use provisional license from the CCC. On December 17, 2018, NEA received a final license and subsequently opened for adult-use sales on January 20, 2018 making it the eighth business to reach this milestone.

The company is currently cultivating, manufacturing and retailing in its state-of-the-art facility located at 999 William S. Canning Boulevard, Fall River, MA. The company entered into an agreement to lease 97,000 square feet of industrial space from the Cold Storage Solutions located at 310 Kenneth Welch Blvd., Lakeville, MA. In February 2019, the company was granted a Host Community Agreement by the town of Lakeville to operate a Cultivation and Manufacturing Facility at the Kenneth Welch site. NEA will Cultivate and Manufacture the highest quality Marijuana Flower, Infused Edibles and Concentrates from this location to supply its retail locations and wholesale markets.

NEA is in the final stages of approvals for two additional adult use retail locations; one in the city of Lowell, and another in the greater Boston area. The company has two additional applications pending for medical dispensaries. These locations will be in markets that have banned adult-use, have large populations and affluent demographics. The company will make these decisions sometime between the fourth quarter of 2019 and second quarter of 2020.

NEA has been approached by numerous operating and start-up cannabis companies looking for consulting services, including: facility design for cultivation, manufacturing and retail; operations design, staffing and implementation, and operations management services. After looking closely at the market and discussing the opportunity in detail with businesses looking for services, NEA decided to develop a consulting and service

division to assist companies making an entrance to the industry and a problem solver for operating companies that are facing grow and retail operational issues.

The company is registered in the state of Massachusetts led by a senior leadership team who together have over 65 years of experience in the complementary industries of real estate development, cannabis cultivation, manufacturing, processing, packaging, fulfillment, organization and leadership development, retail sales and marketing. **Chris Harkins** serves as the Chief Executive Officer. He is joined by **Rich Rosier** as the Chief Revenue Officer & CFO; **Kyle Bishop** as the Chief Operations Officer; **Zac Cooper** as Chief Production Officer; and **Lauren Ginsberg** Chief Retail and People Officer. The combined experience and strength of the leadership team, along with our board of directors, gives NEA a unique competitive advantage in serving both the medical and adult use markets.

NEA's mission is to produce and dispense the highest quality cannabis, with a total commitment to safety and regulatory compliance, to enhance the lives of people in communities we serve.

## **Management Team**

### **Chris Harkins, Chief Executive Officer (CEO)**

Chris Harkins has extensive experience in Real Estate Development and Private Equity. Mr. Harkins has worked for over 20 years as the founder and CEO of a real estate development company serving the Southern New England markets. Mr. Harkins was a founding principal in a private equity business with assets under management over 30 million dollars. Mr. Harkins has a diverse skill set and has experience in sales, marketing, government relations, acquisitions, deal flow, quality assurance programs and debt, equity and mezzanine financing markets. Mr. Harkins' responsibilities, in addition to the overall business vision, values and leadership, are overseeing the acquisition of all real estate, design, planning and construction of all facilities. In addition, Mr. Harkins works closely with the state and local governments to ensure a smooth and orderly approval process as well as ongoing relationships.

### **Rich Rosier, Chief Revenue Officer (CRO) and CFO**

Rich Rosier has 26 years of experience in sales, marketing and human resource development. His prior leadership positions in Educational Programs and Professional Services included SVP, Principal Consultant, VP of Professional Services and VP of Sales



and Marketing. In these various capacities, Mr. Rosier served as a senior consultant and leadership coach to fortune 500 C-Suite leaders and leadership teams as well as Boards of Directors. Mr. Rosier has played a critical role in helping organizations around the world create strategic plans, develop high-potential talent, maximize team performance and design and structure organizations for maximum performance. Mr. Rosier's responsibilities include new business development and the expansion of NEA into other targeted US states as well as HR/Talent.

#### **Kyle Bishop, Chief Operations Officer (COO)**

Kyle Bishop has over 18 years of cannabis operations experience. Kyle has managed a 140,000-square foot warehouse in 2010 as well as hundreds of employees with as many as 20 direct reports. In addition, he has designed, built, furnished, and trained staff for the renown 200,000-square foot warehouse "The Mother Ship" at Native Roots from 2014-2017. While managing the facility, it was awarded one of the "Top 100 Best Workplaces" award in CO in 2016 and 2017. He has achieved a perfect compliance track record in Colorado his entire career as well as a 100% track record producing 10's of thousands of pounds per year with zero violations on pesticides and microbial tests required by Colorado and Massachusetts state law.

Kyle has won many Cannabis Awards including multiple High Times Cannabis Cups, Rooster Cups, etc. from 2010-2017 for both cultivation and extracts. He has consulted for many large companies on grow design, staffing strategies and successful management with a focus on scalability. He graduated from Fort Lewis College in 2009 with a focus on Ethnobotany and Finance.

#### **Zac Cooper, Chief Production Officer**

Zac Cooper is a distinguished leader within the cannabis industry with over 12 years of cannabis cultivation expertise. Zac has gained unparalleled experience from the ground up, managing small grow operations as a caregiver in 2005; to large scale commercial cultivation, managing 200,000-square foot facility with over 80 growers in 2014. Zac has overseen the successful cultivation of over 30,000+ pounds of high quality flower in CO.

From 2014 to 2017, Zac served as Director of Operations for Native Roots' 200,000-square foot cultivation facility, excelling in the development and standardization of SOPs for cultivation, IPM, facilities operation, instrument use, and compliance. Native Roots was awarded numerous awards during this time for cultivation and extraction, including Top 100 Best Workplaces in CO two years in a row (2016-2017). Kyle and Zac have worked together for 11 years. Zac holds a BA in Psychology with a minor in business.



## **Lauren Ginsberg, Chief Retail and People Officer**

Lauren Ginsberg is an exceptional talent with a track record in the retail cannabis industry that is unmatched. As the director of retail operations for native roots from 2013-2016 Lauren Developed the framework for sustainable and effective growth for Retail Operations and effectively managed the opening of 18 locations by way of standardizing practices and streamlining organizational design through collaborative Human Resources support to optimize operational efficiency. Lauren Effectively managed 10 direct reports in Retail Operations, Training, Visual Merchandising, Human Resources and Sales through servant leadership and stretch assignments to develop talent. Lauren hired, trained and managed the Human Resource department that focused on optimizing human capital and logistics systems to support the successful establishment and growth of a repeatable retail footprint from 2 to 18 retail storefronts throughout Colorado.

In 2016 Lauren was named the Chief of Retail and People officer for Native Roots directly responsible for overseeing Retail Operations, Human Resource and Training functions for the entire company, which included 20 retail locations, 3 production facilities and 700 employees. Lauren Systematized the processes consisting of branding, structured sourcing, interviewing, training and education, operating procedures, monthly performance reports, market analytics and internal hiring. Lauren is a passionate champion of employees, has a practiced eye for store layout and design she understands customers and believes that customer experience is at the core of NEA success.

## Attachment 3

### Massachusetts Business Experience

The principles of Metro Harvest are Massachusetts residents, with decades of experience running businesses in Massachusetts. Steve LaBelle has been in the automobile business his entire life starting at the bottom working for a large national auto group. Steve worked his way up the ranks reaching the position of Regional General Manager. After holding that position for three years, Steve made the decision to set his own course founding Autobiz in 1997 and later LaBelle Chevrolet Sales and Service.

Autobiz is the largest federally licensed importer of automobiles on the east coast of the United States, importing more than 18,000 vehicles a year from Canada. Autobiz has been in continuous operation for twenty-two years. LaBelle Chevrolet opened for business in 2004 and was a success from the start. In the seven years Mr. LaBelle operated the business, he employed over 100 people. In addition to his automotive businesses, Mr. LaBelle has built a substantial commercial real estate portfolio through a number of holding companies. Steve owns over eight hundred thousand square feet of retail property in Massachusetts leased to regional and national retail tenants.

Thomas Gosselin has a long track record of business leadership in Massachusetts. Mr. Gosselin founded Highland Fence and Construction in 1988 and has grown the business from humble roots to one of the largest fencing and construction companies in Southern Massachusetts. Located in Mr. Gosselin's home town of Fall River, Highland services customers across Massachusetts and beyond. The multiple divisions of the business employ over fifty people in multiple disciplines.

**Metro Harvest, Inc.  
Business Plan 2019  
Arlington, MA**

**Prepared by: Metro Harvest Leadership Team**



## NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

The undersigned (the "Recipient"), hereby agrees that all financial and other information contained within this business plan ("Confidential Information"): (a) is proprietary to Metro Harvest, Inc. (the "Company"); (b) shall be treated as strictly confidential by Recipient; and (c) shall not be disclosed by Recipient to any other individual or entity without prior written consent of the Company. Recipient further agrees that the Confidential Information shall remain the exclusive property of the Company and shall be returned to the Company promptly upon the Company's request, together with all copies made thereof. Recipient acknowledges that no remedy of law may be adequate to compensate the Company for a violation hereof and Recipient hereby agrees that in addition to any other legal or other rights that may be available to the Company in the event of a breach hereunder, the Company shall be entitled to seek equitable relief to enforce the provisions hereof in any court of competent jurisdiction.

Recipient Signature: \_\_\_\_\_

Recipient Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

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## I. Executive Summary

Metro Harvest, Inc. (henceforth referred to as the “Company”) was formed to offer cannabis products through state and locally approved Marijuana Retail Establishments. Once local and final licensure from the Cannabis Control Commission (CNB) has been secured, the Company will feature, a high-quality product mix of dried flower, edibles, concentrates, and topicals as well as consumption devices and accessories to the adult-use population in Massachusetts.

The company is registered in the state of Massachusetts led by a senior leadership team who together has over 65 years of business experience. Steve Labelle serves as the Chief Executive Officer; he is joined by Tom Gosselin as the Chief Operating Officer and Jill Stucchi as the Chief Financial Officer. The combined experience and strength of the leadership team, expert consulting, operational service and wholesale relationship along with our board of directors, gives the Company a unique competitive advantage in the marketplace.

The Company’s mission is to bring the highest quality cannabis products to Massachusetts consumers while providing an exceptional customer experience in sophisticated, yet relaxed, retail environments with a total commitment to safety and regulatory compliance.

The Company’s management team will leverage their strengths and experiences to ensure that our strategy is well-crafted and executed. Our governance and oversight of day-to-day operations is outstanding, and our policies, systems, procedures and checklists are efficient, effective, and compliant. The Company’s management team and its staff will work tirelessly to ensure that the products and experience exceed consumer expectations.

The Company has entered into consulting, services and wholesale agreements with Northeast Alternatives, Inc. Northeast Alternatives is a Massachusetts cannabis company currently operating a medical marijuana dispensary (RMD) as well as the eighth recreational dispensary to open for adult-use sales in Massachusetts. Northeast Alternatives is a vertically integrated company that cultivates, processes and manufactures products in their facilities in the City of Fall River, MA. Northeast Alternatives is in the process of permitting an additional state-of-the-art 97,000 square foot cultivation and manufacturing facility in the town of Lakeville, MA. Northeast Alternatives’ management team has decades of experience in all facets of the cannabis industry as well as traditional business expertise in the fields of real estate development, construction, finance, accounting, staffing and leadership development.

Through the Company’s consulting and service contracts with Northeast Alternatives the Company will gain access to a number of services including intellectual property deployment, design and construction support, security and compliance set up, model operations plans, staffing, training, organizational development and ongoing operations support. Northeast Alternatives will provide the expertise and operational know-how to support the Company through the startup, permitting, design development and operational phases of the business.

In addition, the Company has entered into a contractual wholesale agreement with Northeast Alternatives to ensure the company is supplied with the finest products available in the marketplace. These products will be both branded Northeast Alternatives product lines as well as



white label products produced by Northeast Alternatives and branded by the Company. The Company has negotiated net 30-day credit terms for all wholesale products with an on-demand delivery schedule ensuring fresh product and a robust menu.

The Company will outperform its competitors and establish itself as a retailer of choice for consumers because of our unique product mix, commitment to an exceptional customer experience, and uncompromising focus on product safety and quality. This commitment to the local consumer's well-being, coupled with a robust marketing program, are the binding principles of our success. The Company's marketing program will combine a mix of progressive digital and social media, supported by a world-class website, to drive new consumers to its retail locations.

If we are fortunate enough to be chosen as a partner in Arlington the Company anticipates a YR1 capital expenditure budget of \$1.5M. The Company will secure 100% of the required capital from the co-founders. This investment capital will finance the hard costs associated with the build-out of a retail facility to the highest standard including a complete gut and re-build of the interior and a reface of the facade of the property that will blend in tastefully with the character of the surrounding community. The Company anticipates YR1 operating budget to be \$1.2M. A more detailed cost breakdown is provided in the Financial Projections section of this business plan.

Choosing a strong and experienced partner is critical for any community. There are many cities and towns who have learned this the hard way. Many businesses have entered into agreements with host communities only to fail to launch the business successfully. This is usually due to industry inexperience and poor financial planning.

The Company is committed to supporting the communities in which we are hosted and operate. The Company sets aside a portion of sales, up to \$50,000, that are donated to strategic initiatives selected by the communities. These donations may be for a specific municipal need, the general fund, specific charities or outreach programs the city has identified as important.

The Company works very hard to recruit and hire from within the host communities. We do this in a number of ways including hiring days and fairs that are advertised and held locally, local publication postings, and Indeed postings. The Company anticipates creating 40 to 50 well-paying, full-time jobs in Arlington, MA. These positions include a store manager, four assistant managers, 35 budtenders, 8 security and parking attendant positions, and 5 inventory management specialists. The Company has also seen its presence in a community create an economic multiplier to the local economy. In addition to the ancillary jobs created by the direct services to the Company, local businesses near the store benefit from employee spending and the increase in traffic from pre and post customer visits.

## II. Business Description

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### A. Ownership

The Company is owned by Steve Labelle and Tom Gosselin.

### B. Location

The Company's corporate office is located at 292 Bedford Street, Bridgewater, MA 02324. The Company has a binding letter of intent for a lease of the property located at 1308 Massachusetts Ave., Arlington, MA 02476.

### C. Investment Summary

The investment requirement for meeting the Company's YR1 projections in Arlington, MA is \$3 million dollars. Funding for the Company has been secured as follows:

<u>Source of Funds</u>	<u>Investment Type</u>	<u>Amount</u>
Co-Founders	Equity	\$3M
<b>TOTAL</b>		\$3M

<u>Financial Benefits to Arlington, MA</u>	<u>Source</u>	<u>Amount</u>
Annual Donation	The Company	Up to \$50,000
3% Host Community Agreement	The Company	\$1,149,750
3% City Tax on Recreational Cannabis Sales	The Company & MA DOR	\$1,149,750
<b>TOTAL</b>		\$2,349,500



### **III. Management Summary**

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#### **A. Management Team**

##### **1. Steve LaBelle, Chief Executive Officer (CEO)**

Steve LaBelle began his journey as an entrepreneur at the age of 18, opening his first car dealership in East Freetown, Ma, his home town. Later, he worked for Herb Chambers Auto Group working his way to a leadership position as GM. In 1997, Steve took on a new challenge as Corporate GM of another automotive group, overseeing four dealerships with over 300 employees at the same time. He also began researching how to import vehicles from Canada into the US. He left his position at Corp. GM to pursue becoming a federally licensed Vehicle Importer and was successful in obtaining a Federal Import License from the National Highway Traffic Safety Administration (NHTSA). In addition, Steve founded Autobiz, which is one of the largest importers of automobiles on the east coast. In 2004, he established LaBelle Chevrolet which he sold in 2011. Steve has developed several commercial properties, which he leases to both national and regional tenants.

##### **2. Tom Gosselin, Chief Operating Officer**

Thomas Gosselin is a seasoned business owner with expertise in the fields of commercial and residential real-estate development; construction and construction management; human resources; sales and marketing; and finance. Through his real-estate businesses, Tom owns and manages income producing commercial and residential real-estate valued at over \$50M dollars. His construction and fencing business, Highland Fence and Construction, has been in continuous operation since 1988. It has grown from a start-up business to one of Southern New England's largest fencing and construction companies. Highland specializes in commercial, institutional and residential fencing with contracts ranging from government and large institutional customers to the residential homeowner. Highland's construction, excavation and plowing business serves both the government and private sector focusing on commercial renovation, excavation and long-term maintenance contracts for commercial properties, large condominium complexes, government buildings and road contracts. Tom employs over fifty people from the finance department to laborers, spread across the different business units. Tom is a driven business leader and respected community activist.

##### **3. Jill Stucchi, Chief Financial Officer (CFO)**

2. After earning her Bachelor of Science in Mathematics, Jill decided that she liked working with numbers and started her career in accounting at Budget Rent a Car's regional accounting office. She began working in accounts payable and moved her way up to a staff accountant, responsible for the fleet of vehicles in North & South Carolina. In 1995, Budget relocated their offices and Jill embarked on the next phase of her career with Adesa Auto Auctions. She served as a staff accountant for Adesa and then earned a promotion to Assistant Controller. In her role as Assistant Controller, she is responsible for account reconciliations and analysis, budget planning,



Collections, and Sarbanes Oxley controls. In 2014, she became the Controller of Autobiz, one of the largest Registered Importers on the East Coast.

## IV. Business Operations

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### A. Daily Operations

The Company's retail facility will be open for business seven (7) days a week and be closed for 3 major holidays: New Year's Day, Thanksgiving, and Christmas. The expected hours of operation are as follows:

	Hours
<b>Monday</b>	10:00am to 10:00pm
<b>Tuesday</b>	10:00am to 10:00pm
<b>Wednesday</b>	10:00am to 10:00pm
<b>Thursday</b>	10:00am to 10:00pm
<b>Friday</b>	10:00am to 10:00pm
<b>Saturday</b>	10:00am to 10:00pm
<b>Sunday</b>	12:00pm to 10:00pm

These hours of operation will require staggered shifts. Schedules will be determined by management and posted regularly. The schedules will be determined in a manner that allow management to increase or decrease hourly labor according to sales volume. Designated staff will report to work at least 30 minutes prior to opening. The remainder of staff will arrive at staggered intervals throughout the day, allowing sufficient time to prepare for anticipated customer traffic. Shift changes for all staff will entail cleanup, restocking and next-day preparation. All collected monies will be settled at the end of each shift. The closing shift will be responsible for executing designated closing duties including a clean, secure, well-stocked and fully prepared Retail facility for the next day's opening staff.

The Company management, through the consult and service agreements with Northeast Alternatives, has established sound operating guidelines and formalized standard operating procedures (SOP's) regarding how to conduct the Company's day-to-day operations. Reasonable and standard policies, systems, procedures and checklists will be followed carefully in-line with both the regulations mandated by the CNB and implemented using the resources of the management team. The Company's management will be responsible for ordering, receiving and maintaining sufficient inventory to meet consumer demand.

### B. Consumer Experience

The Company's consumer experience will be given special emphasis throughout our operation. The Company's goal is to provide highly responsive, proactive and educated customer service to ensure the best possible customer experience. The Company shall institute training programs designed to teach employees about guest perception, satisfaction and product information. The Company's management will conduct regular shift staff meetings to reiterate training procedures

and the product menu with a focus on product knowledge and customer experience. All guest complaints will be apologetically acknowledged by the staff and immediately referred to management. The Company will establish programs and policies to systematically deal with guest complaints.

### **C. Management Controls**

The Company's management team will practice sound management procedures to control costs, ensure quality of product, and provide exceptional customer service. The following systems, among others, will be implemented by management:

Scheduling System: Management will adopt a scheduling system that expedites the preparation of schedules, reflects anticipated labor budgets, and tracks payroll processing.

Time & Attendance System: The Company will use a time and attendance system to track hourly labor costs and expedite payroll processing.

Operations Checklists: Company's management will implement operational procedures and checklists to maintain quality control while ensuring that established procedures are followed. Procedures and checklists will be used by various personnel including: customer service, purchasing, cultivation, security, and management.

Point of Sale System: Company will utilize a point of sale (POS) system, which will regulate the flow of service. The POS will act as a cash control and will track sales and receipts. The company will also deploy a seed to sales tracking system and work closely with the DPH/CNB to insure 100% regulatory compliance.

Order Guide: The Company will use an item specific order guide to track order history and maintain designated levels of product inventory.

Weekly Inventory: Management will track weekly inventory to determine valuation for use in weekly/monthly/quarterly P&L reports.

Daily Inventory Tracking: Daily inventory will be tracked on specific products. Movement will be compared to sales data to ensure designated products have been properly accounted for.

### **D. Administrative Systems**

Daily Cash Control: Sales and receipts recorded by the POS system will be compared to actual daily cash inflows. In the event of discrepancies, Company's management will conduct an audit to account for the difference.

Weekly Prime Cost Report: Company's management will prepare a weekly report that calculates gross profit margin. The prime cost of goods sold for the Company is expected to range from 20% to 35%.



Purchasing Records/Payables: The Company's management will process and record invoices and credits or cause to be processed and recorded daily. The Company's management will ensure that reports detailing cash expenditures, and invoices are accrued on a weekly basis and properly accounted for and reported.

Payroll Processing: Payroll checks will be issued bi-weekly in house by our accounting team.

## V. Market Analysis

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### Industry Analysis

A large majority of cannabis companies are privately held. This makes capturing accurate revenue, profit margins and monthly operating expenses challenging. Fortunately, Marijuana Business Daily produces a rigorously researched Marijuana Business Factbook each year. Much of our industry analysis leverages their findings.

We estimate that sales of marijuana in 2019 will reach between \$5 billion and \$10 billion nationally, which will amount to a compounded annual growth rate (CAGR) of 7.5% to 14% over the past five years. Going forward we forecast a range of growth between \$6 billion and \$11 billion nationally in 2020, a 7% to 15% CAGR.

Even more important is the economic impact the industry has on the local economy. It is estimated that the "economic multiplier" in the Marijuana industry is four times. In other words, for every \$1 patients and caregivers spend at the retail level, an additional \$3 of economic value is injected into the economy – much of it at the local level. If that is accurate, then the industry will contribute roughly \$10.8 billion to \$20 billion to the national economy in 2020.

We forecast that the national growth rate will remain stable for two reasons. First, more states are expected to approve medical and recreational sales, which will serve to increase the total number of patients and consumers. Secondly, it is expected that more states will approve recreational marijuana, which is likely to slow the growth of total medical patients.

### Industry Analysis: Massachusetts

The State of Massachusetts is the 15th most populated state in the US with 6,859,819 people, the population over the age of 18 is 5,487,855. Massachusetts is the 3rd most populated state by landmass behind New Jersey and Rhode Island.

The Massachusetts legislature mandated as part of the Marijuana Act of 2016 mandated a "Marijuana baseline health study report findings" the Massachusetts Department of Health



commissioned this study and the results were released on June 29th 2018. This was a comprehensive study that analyzed the patterns of use, methods of consumption, impacts on safety and economic impact.

The study results concluded that 21% of adults used cannabis in the previous 30 days. The millennial generation, ages between 21 and 25 reported the highest usage of 52% in the previous 30 days. Flower has been the dominant delivery method, however, 40% reported using multiple methods with Millennial's steering toward higher use of extracts and edibles. More than 75% of all adults considered cannabis to have slight or no risks and use cannabis for recreational purposes.

Using the 18 and over baseline population numbers (5,487,449) of which 21% are reported cannabis users the addressable market is around 1,152,449. Assuming a conservative estimate of \$1,500 per year spend per person we expect the size of the Massachusetts market to be at least \$1.15 billion dollars.

The following is from Marijuana Business Daily, a trusted third party cannabis industry analyst:

“‘Massachusetts’ looming recreational marijuana market has the potential to be one of the most prosperous in the nation. Under rules finalized this month, cannabis entrepreneurs face no license caps for an assortment of business categories, edibles and many other goods are permitted, and there are Massachusetts’ looming recreational marijuana market has the potential to be one of the most prosperous in the nation, according to MJ Business Daily.

Under rules finalized this month, cannabis entrepreneurs face no license caps for an assortment of business categories, edibles and many other goods are permitted, and there are opportunities to build a brand. But applicants seeking to set up shop when the Bay State’s adult-use industry opens this summer will face a gauntlet of requirements that have already derailed scores of aspiring medical marijuana businesses.

Of the roughly 275 businesses that have applied for MMJ licenses since Massachusetts voters approved medical cannabis in 2012, only 42 have opened. At least 75 applications have expired. Recreational license applicants can expect more of the same, observers said, though these same hurdles could benefit entrepreneurs who can cross the finish line.

“If you’re able to get open here, you’re going to see a more protected environment,” said Scott Moskol, an attorney who heads the cannabis practice at Boston law firm Burns & Levinson.

“We’re not going to see the downward pricing pressures as quickly,” he added.”

### **Saturation point?**

With roughly 200 medical marijuana business applicants still in the Massachusetts’ licensing pipeline, the state’s adult-use market may seem poised for oversaturation, especially since existing MMJ businesses have first-mover advantages. Consider the following:

- Dispensaries began applying for “priority certification” on April 2, 2018
- Dispensaries that received priority verification could apply for a commercial license beginning April 16, 2018
- Applicants seeking to establish cannabis businesses in communities hurt by the war on drugs are also eligible to apply for priority certification.
- Rec applicants who didn’t possess medical cannabis licenses had to wait until June 1, 2018 to apply.
- The head start afforded MMJ licensees doesn’t portend potential oversaturation of the market – at least not anytime soon – said several industry watchers because:
  - The majority of existing MMJ license won’t survive the adult-use application process
  - Some MMJ licenses will run out of capital before they get licensed

“If there are 200 or so applicants, I would guess that the majority of those won’t get licenses, including some really sharp and smart operators,” said Kris Krane, head of 4Front Ventures, a cannabis consulting and investment firm in Boston that has several clients seeking licenses. “I think we have a long-time horizon here before we have any saturation issues.” Adam Fine, an attorney who heads the Boston office of the Vicente Sederberg law firm, noted that numerous cannabis entrepreneurs have asked him if they’re too late to enter the Massachusetts market. Fine always tells them “no,” because “I don’t think we’re close to being saturated. “There’s still a tremendous opportunity for people to come in.”

While some entrepreneurs may be deterred by the municipalities’ restrictions, smart ones will see the bans and moratoriums as a benefit because they thin out the competition, Moskol said. “At the beginning, that lack of competition may make our market attractive because you don’t have to worry that there will be a thousand pot shops,” he said.

‘Compared with the first month of rec sales in other states, Massachusetts had lower gross sales but far fewer operating dispensaries than Oregon (\$14 million, 320 dispensaries), Colorado (\$14.7 million, 59 dispensaries) and Nevada (\$27.1 million, 53 dispensaries) Source: MJ Business Daily.’

<https://mjbizdaily.com/massachusetts-recreational-marijuana-sales-first-month/>

## **National Recreational Market**

The legalized marijuana industry is the fastest-growing industry in the country, reports <sup>^</sup>The Huffington Post today. “And if the trend toward legalization spreads to all 50 states, marijuana could become larger than the organic food industry,” the article states.

The Huffington Post’s announcement comes from a report the news outlet obtained from cannabis industry research and investment firm The ArcView Group, which found that “the U.S. market for legal cannabis grew 74 percent in 2014 to \$2.7 billion, up from \$1.5 billion in 2013,” reports <sup>^</sup>HuffPost.



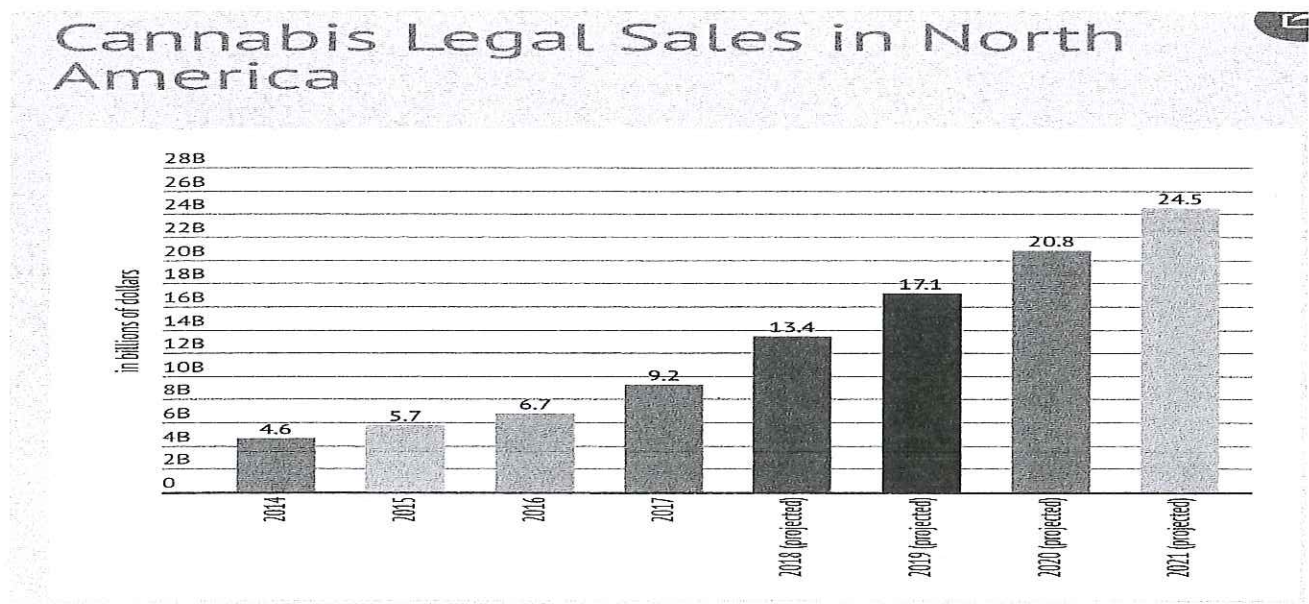
The ArcView Group based its report on surveys, during 2013-2014, of hundreds of marijuana retailers—medical and recreational—and cultivators, as well as ancillary businesses, state agencies, non-profit organizations and others.

According to HuffPost, the ArcView Group's report predicts 32-percent market growth this year. And, "Over the next five years, the marijuana industry is expected to continue to grow, with ArcView predicting that 14 more states will legalize recreational marijuana and two more states will legalize medical marijuana," HuffPost reports.

Over the past few years, the number of companies operating in this market has increased exponentially. Producers are focused on expanding their customer pool by offering myriad portfolio of products and through geographical expansion. Products currently being offered include varieties of strains and extracts such as oils, tinctures, resins, and consumables based on concentration of cannabinoids like THC and CBD.

As countries begin to liberalize their Cannabis Laws, the market is expected to witness a surge in demand. Currently, the majority of cannabis is sold through illicit channels. To curb this illegal trade, governments have started legalizing marijuana in order to monitor the products that enter the supply chain and reap the benefits through taxes levied on these products.

In North America, it has been reported that about 70-75% of the cannabis trade is illegal, which has reduced nearly 30.0% in states where marijuana has been legalized. This in turn has prompted several countries to initiate legalization programs. Keen investors are awaiting legalization of recreational marijuana in countries like Canada. As recreational cannabis is legalized, the number of consumers it is expected to increase by 40.0%. It seems safe to say, the United States recreational cannabis market is booming and is here to stay.





## **Target Market**

It is anticipated that the Company will appeal to a broad base of consumers. We do not expect a specific age demographic to emerge among our consumer however the research done in Massachusetts (which is consistent with national data) suggests the younger generations have adopted cannabis consumption at a much higher rate in percentage terms. Our consumers will share one common characteristic – over the age of 21 years old. They are likely to be middle and upper income individuals in single-person and family households. The Company's ideal consumers desire a convenient retail experience within a 10-mile radius of our retail locations. Safe, high quality products for everyone.

## **Competitive Analysis**

We believe that if the current trend continues there will likely be an additional 10-20 retail stores that will open throughout the State of Massachusetts in 2019. We expect this growth trend to continue before accelerating in late 2020 and into 2021 as communities become more accepting. Northeast Alternatives was the 34<sup>th</sup> medical dispensary to open and the 8th recreational business to be approved and operating in Massachusetts. The relationship with Northeast Alternatives allows the Company to leverage the experience and infrastructure that Northeast Alternatives has built to support their operations and provide the services needed to achieve operational success. The cannabis business is complicated, cash intensive, and highly regulated. Many investors and operators desire to get into the industry, but only businesses with very strong and experienced operational teams will be successful and profitable.

## **Strategic Trends**

**TECHNOLOGY TREND:** Customers want to be able to access information more quickly on-the-go; to be able to read reviews of the Company at websites such as [www.leafly.com](http://www.leafly.com); [www.yelp.com](http://www.yelp.com); [www.google.com](http://www.google.com). The Company will stay relevant and up-to-date with technology and remain ahead of the competition and stay within regulatory parameters.

**ECONOMIC TREND:** Cannabis sales and participation rates are growing rapidly as more states have legalized both Medical and/or Recreational Marijuana sales and use. This trend is highly unlikely to change in the foreseeable future. We believe the cannabis industry is in its infant stage and will likely grow at exponential rates over the next 20 years.

## **Market Growth**

Total marijuana retail sales in the U.S. are expected to continue to grow double digits on an annual basis likely reaching \$20 billion by 2020. This is incredible growth considering that from the year 2000 through 2013 retail sales hit \$1.6 billion and in 2016 total sales hit \$4.3 billion. If those numbers aren't impressive enough the actual economic impact from the cannabis industry in 2016 was \$16 billion and will likely grow to \$20 billion by 2020. 2016 was a pivotal year for the industry with California, Massachusetts, Maine and Nevada voting to approve recreational marijuana for adult use and Florida overwhelmingly approving to expand its MMJ regulations.

## VI. Marketing Strategy

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The Company's success will be achieved by providing great customer services while employing a proven digital marketing strategy to attract patient traffic. Today's market requires more than just great products to be successful. The Company will constantly strive to win customers by being proactive rather than reactive in its marketing efforts while being tasteful and respectful to our host communities. The Company's management will create and maintain a positive, appealing image for the Company, which will be consistently applied, as described below:

### **A. Website**

The Company's management will be responsible for maintaining a fresh, interactive and well-designed website, which allows visitors to review the Company's menu of products, view images of the Company's RMD facility, access directions to the Company's RMD, and view the RMD's hours of operation.

### **A. Social Networking**

Company's management will be responsible for maintaining fresh, interactive and well-designed accounts with popular social networking sites, including without limitation [www.facebook.com](http://www.facebook.com), [www.instagram.com](http://www.instagram.com), [www.twitter.com](http://www.twitter.com) and [www.yelp.com](http://www.yelp.com), which will allow visitors to review the Company's products, view images of the Company's RMD facility, access directions to the Company's RMD, and view the RMD's hours of operation.

### **C. Digital Marketing**

The Company's management will be responsible for deploying a digital marketing campaign to attract new patients as they search online for the unique products offered by the Company. Many proprietary techniques will be used to promote the Company on relevant digital platforms dedicated to serving the industry.

## VII. Growth Plan

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### A. Expansion Plan

The Company is currently working with two other cities in Massachusetts to establish additional Marijuana Retail Establishments. The properties have been secured either by acquisition or through a binding lease and we expect to receive the final host agreements within the next 30 days.

While Company's management will focus first and foremost on developing the business in Massachusetts to achieve a successful return on investment without the need for expansion beyond Massachusetts, the Company's appealing services, comfortable atmosphere, and competitive prices will likely position the business for broad customer appeal in a wide range of markets. To this end, once the Company has achieved profitability, the Company's management will carefully consider organic and/or acquisitive expansion opportunities.



## VIII. Financial Projections

# of Weekly Transactions	5250
\$ / Transaction	\$ 140.00
Revenue	\$ 38,325,000
Price Per Pound Retail	\$ 6,500.00
Pounds Sold Per Month	3960.00
Pounds of Flower	1782.00
Pounds of MIPs	2178.00
Host Fee	\$ 1,149,750
COGS	\$ 19,304,760
Gross Profit	\$ 19,020,240
% Gross Margin	50%
Personnel Costs	\$ 1,921,346
General & Administrative	\$ 78,000
Marketing Expense	\$ 128,700
Rent	\$ 114,000
Insurance	\$ 40,000
Total SG&A	\$ 2,282,046
SG&A as % of Revenue	9%
Operating Profit	\$ 16,738,194
% Operating Margin	44%
State Taxes (17%)	\$ 6,515,240
Local Taxes (3.0%)	\$ 1,149,750
Pre-tax Income	\$ 9,073,204
Income Tax – Federal & State	\$ 5,515,870
Effective Tax Rate	29%
Net Income	\$ 3,557,334
% Net Margin	9%

**METRO HARVEST, INC.**  
**EMPLOYEE HANDBOOK**

**292 Bedford St.  
Bridgewater, MA 02324**

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