

VICENTE SEDERBERG

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1400 HANCOCK STREET, 3RD FLOOR
QUINCY, MA 02169
TEL: 617.934.2121

JAN 08 2018

RECEIVED

January 3, 2018

Medical Use of Marijuana Program
Department of Public Health
99 Chauncy Street, 11th Floor
Boston, MA 02111

Re: Response to DPH's December 28, 2017 Request for Information to The Green Lady Dispensary, Inc. (Application 1 of 1)

To Whom It May Concern:

On behalf of The Green Lady Dispensary, Inc. ("TGLD"), we are writing in response to the Department of Public Health's ("DPH") December 28, 2017 Request for Information. The DPH requested the following information:

DPH Information Request: *The Commercial Lease Agreement does not provide a description of the leased premises, such as the acreage or square footage that the applicant is leasing. Please update the Commercial Lease Agreement to include such information.*

TGLD Response: The leased premises includes the entire property at 11 Amelia Drive. An amendment to the lease agreement identifying acreage and square footage is included herewith.

DPH Information Request: *In Section 2 of the Commercial Lease Agreement, the rent and installment amounts during the Initial Term are inconsistent between that is stated inside and outside of the parentheses. Please clarify the actual rent and installment amounts and resubmit the Commercial Lease Agreement with the correct amounts.*

TGLD Response: An amendment to the lease agreement is enclosed herewith, in addition to a copy of the original lease.

DPH Information Request: *Page 2 of Section B of the appraisal states "The intended use is CommCan, Inc." Please clarify whether this appraisal was indeed prepared for the Green Lady Dispensary, Inc. and submit a corrected appraisal for the name of the applicant corporation.*


TGLD Response: The appraisal was prepared for TGLD. A corrected appraisal is included herewith.

DPH Information Request: *In Section D, the applicant references local siting requirements for the RMDs in Nantucket. Please submit a copy of the applicable local siting requirements.*

TGLD Response: A copy of the current local siting requirements for RMDs on Nantucket is included herewith, as shown in Article 2 of the 2017 Nantucket Special Town Meeting Warrant. Please be advised that Article 2 was adopted at the 2017 Nantucket Special Town Meeting by a vote of more than 2/3 of town meeting members present.

Thank you for your attention to this matter.

Sincerely,


Jeremy M. Shaw, Esq.

FIRST AMENDMENT TO LEASE

AMENDMENT TO THE LEASE DATED NOVEMBER 30TH 2017 BETWEEN:

COMFORT STORAGE II, LLC
("LANDLORD")

AND

THE GREEN LADY DISPENSARY, INC.
("TENANT")

Whereas, the Landlord and Tenant entered into a lease for the property located at 11 Amelia Drive, Nantucket, MA 02554 on November 30th, 2017 (the "Lease");

Whereas, the Landlord and Tenant desire to amend the Lease as set forth in this Lease Amendment; and

Whereas, this is the first Amendment to the Lease;

Now, therefore, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

I. Amendment

- A. The second introductory paragraph of the Lease is hereby deleted and replaced with the following paragraph:

"WHEREAS, Landlord is the fee owner of that certain property consisting of approximately 0.3 acres of land with two existing commercial buildings thereon containing an aggregate of approximately 6,606 square feet of usable space situated in Nantucket County, at 11 Amelia Drive, Nantucket, MA (the "Premises")."

- B. Sections 2 & 3 of the Lease are hereby deleted and replaced with the following provisions:

"2. RENT. The annual base rent for the Initial Term is TWO HUNDRED FORTY-FIVE THOUSAND TWO HUNDRED AND FIVE UNITED STATES DOLLARS (\$245,205.00 USD) per year, payable in advance in equal installments TWENTY THOUSAND FOUR HUNDRED AND THIRTY-THREE UNITED STATES DOLLARS AND SEVENTY-FIVE CENTS (\$20,433.75 USD) per month. Such monthly payments are due on the first day of each month of the Initial Term, beginning on the Commencement Date. On each anniversary of the Commencement Date during the Initial Term, the annual base rent shall increase by three (3) percent.

3. OPTION TO RENEW. Tenant shall have an option to renew the lease term by providing written notice to Landlord at least three (3) months prior to the expiration of the Initial Term that Tenant intends to renew the lease for an additional five (5) year term (the "Renewal Term"). The annual base rent for the Renewal Term is TWO HUNDRED EIGHTY-FOUR THOUSAND TWO HUNDRED AND

SIXTY UNITED STATES DOLLARS (\$284,260.00 USD) per year, payable in advance in equal installments of TWENTY-THREE THOUSAND SIX HUNDRED AND EIGHTY-EIGHT UNITED STATES DOLLARS AND THIRTY-THREE CENTS (\$23,688.33 USD) per month. Such monthly payments are due on the first day of each month of the Renewal Term. On each anniversary of the commencement of the Renewal Term, the annual base rent for the renewal term shall increase by three (3) percent."

II. No Other Change

Except for as provided in Section I of this Amendment, there are no other changes to the Lease. The Lease is otherwise affirmed in its entirety by the Landlord and Tenant.


III. Governing Law

This Lease Amendment shall be governed, construed, and interpreted by, through and under the Laws of the Commonwealth of Massachusetts.

[Signature page follows]

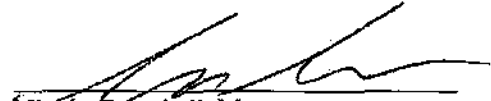
In witness whereof, the parties hereunto set their hands and seals as of the date first set forth above.

For The Green Lady Dispensary, Inc. (Tenant)


Rupert Campbell, President

Dated: 1/3/18

For Comfort Storage II, LLC (Landlord)


Nicole Campbell, Manager

Dated: 1/3/18

COMMERCIAL LEASE AGREEMENT

This Lease Agreement (the "**Lease**") made and entered into this 30th day of November, 2017 by and between **Comfort Storage II, LLC** a limited liability company with a primary address of 11 Amelia Drive, Nantucket, MA (the "**Landlord**") and **The Green Lady Dispensary, Inc.**, a non-profit corporation with a primary address of 15 Skyline Drive, Nantucket, MA 02554 (the "**Tenant**").

WHEREAS, Landlord is the fee owner of that certain property consisting of two existing commercial buildings situated in Nantucket County, at **11 Amelia Drive, Nantucket, MA** (the "**Premises**").

WHEREAS, Landlord desires to lease the Premises to Tenant upon the terms and conditions as contained herein; and

WHEREAS, Tenant desires to lease the Premises from Landlord on the terms and conditions as contained herein.

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **TERM.** Landlord leases to Tenant and Tenant leases from Landlord the Premises for a term of five (5) years (the "**Initial Term**"), beginning on the date that Landlord obtains a Certificate of Occupancy for the Premises, or earlier if mutually agreed to by the Parties (the "**Commencement Date**") and ending at 12 o'clock midnight five years from the Commencement Date. Provided there is no currently occurring default pursuant to Section 18, Tenant shall have a five (5) year Option to Renew pursuant to Section 3. The Initial Term and any renewal thereof shall collectively be referred to as the "**Term**."
2. **RENT.** The annual base rent for the Initial Term is TWO HUNDRED AND TWENTY EIGHT THOUSAND UNITED STATES DOLLARS (\$245,000.00 USD) per year, payable in advance in equal installments NINETEEN THOUSAND UNITED STATES DOLLARS (\$20,416.67 USD) per month. Such monthly payments are due on the first day of each month of the Initial Term, beginning on the Commencement Date. On each anniversary of the Commencement Date during the Initial Term, the annual base rent shall increase by three (3) percent.
3. **OPTION TO RENEW.** Tenant shall have an option to renew the lease term by providing written notice to Landlord at least three (3) months prior to the expiration of the Initial Term that Tenant intends to renew the lease for an additional five (5) year term (the "**Renewal Term**"). The annual base rent for the Renewal Term is TWO HUNDRED EIGHTY-FOUR THOUSAND AND TWENTY-TWO UNITED STATES DOLLARS (\$284,022.00 USD) per year, payable in advance in equal installments of TWENTY-THREE THOUSAND SIX HUNDRED SIXTY-EIGHT AND UNITED STATES DOLLARS AND FIFTY CENTS (\$23,668.50 USD) per month. Such monthly payments are due on the first day of each month of the Renewal Term. On each anniversary of the commencement of the Renewal Term, the

annual base rent for the renewal term shall increase by three (3) percent.

4. **SECURITY DEPOSIT.** Upon the execution of this Lease, the Tenant shall pay to the Landlord the amount of FIVE THOUSAND UNITED STATES DOLLARS (\$5,000.00 USD), which shall be held as a security for the Tenant's performance as herein provided and refunded to the Tenant at the end of this lease, without interest, subject to the Tenant's satisfactory compliance with the conditions hereof.
5. **USE OF PREMISES.** The Premises shall be used and occupied by Tenant to dispense marijuana as a Registered Marijuana Dispensary ("RMD") pursuant to the laws and regulations of the Commonwealth of Massachusetts, including 105 CMR 725.000 *et seq.*, any successor regulations and legislation, and any other lawful purpose under state and local law. Tenant shall comply with any and all laws, regulations, ordinances, approval, rules and orders of any and all state and local governmental authorities affecting the use, cleanliness, occupancy and preservation of the Premises.
6. **EARLY TERMINATION.** Tenant shall be free to terminate this Lease upon written notice to the Landlord and shall no longer be obligated to pay any rent or termination fees in the event that: (i) Tenant is unable to obtain a final Certificate of Registration with the Commonwealth of Massachusetts to operate an RMD, (ii) Tenant's Certificate of Registration to operate an RMD is revoked, or (iii) federal law enforcement priorities change such that an RMD cannot operate at the premises.
7. **DELIVERY OF PREMISES.** Landlord shall deliver the Premises "As Is," however the Landlord, at all times, shall ensure that the Premises has fire sprinklers, plumbing, electrical, water and sewer and roofing in good working order so as to pass all applicable Town inspections for occupancy.
8. **RENOVATIONS AND IMPROVEMENTS.** Tenant shall be responsible for contracting and paying for any build-out, renovations, and improvements. Tenant is free to alter or modify the Premises for Tenant's intended use in its sole and absolute discretion. Any and all alterations, changes, and/or improvements built into or made a permanent part of the Premises shall, unless otherwise provided by written agreement between Landlord and Tenant, be and become the property of Landlord and remain on the Premises at the expiration or earlier termination of this Lease. Any non-permanent fixtures, equipment or improvements shall remain the property of the Tenant.
9. **MAINTENANCE AND REPAIR.** Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Lease; subject to reasonable wear and tear. Tenant is responsible during the Term for all expenses related to temporary upkeep, such as removal of trash, snow and ice and exterior landscaping, and for maintenance of the interior of the Premises including but not limited to cleaning the Premises, locksmith requirements, repair and/or replacement of any and all fixtures and equipment. Landlord is responsible for all structural and permanent building maintenance, including window and glazing replacement, HVAC, fire sprinkler, plumbing, electrical, water and sewer, and roofing.

10. **ASSIGNMENT AND SUBLETTING.** Tenant is allowed to assign, or transfer this Lease or to make a sublease of any portion of the Premises. Tenant shall, at Landlord's requires, reimburse Landlord promptly for reasonable expenses actually incurred by Landlord, if any, in connection with such sublease or assignment. Tenant shall no longer have any liability to the Landlord if this Lease is assigned in whole or the entire Premises is sublet to a third-party.
11. **UTILITIES; TAXES.** Tenant shall be responsible for arranging for and paying for all utilities which are furnished to, and separately metered or designated for the Premises, including electrical, gas, water, sewer, trash, recycling, alarm, telephone, internet, cable, snow removal and landscaping. Tenant shall pay all property taxes and any municipal fees for the Premises.
12. **DAMAGE; EMINENT DOMAIN.** In the event the Premises is taken by eminent domain or is destroyed or rendered wholly untenable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, this Lease shall automatically terminate and the Tenant shall no longer have any rental payment obligation or other obligations not yet accrued. The Tenant shall owe any rent up to the time of such damage or destruction of the Premises not yet paid. Should a material portion of the Premises be damaged or rendered untenable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, the Tenant shall have the option to either require the Landlord to repair such damaged portion or terminate the Lease, at which point the Tenant shall no longer have any rental payment obligation or other obligations not yet accrued. In the event that Tenant chooses to have Landlord repair such untenable portion, the rent shall be abated in the proportion that the damaged parts bears to the whole Premises, and such part so damaged shall be restored by Landlord as speedily as practicable, after which the full rent shall recommence and the Lease continue according to its terms. In the event that a non-material portion of the Premises or the common areas serving or facilitating the Premises is destroyed, damaged or rendered untenable (other than through the actions of Tenant), the Tenant shall have the right to a reasonable abatement of rent and Landlord shall repair such untenable portion as speedily as practicable.
13. **LANDLORD ACCESS.** Upon twenty-four (24) hours' notice to the Tenant, Landlord and Landlord's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the Premises and all buildings and improvements thereof and for the purposes of making any repairs, additions or alterations as may be deemed appropriate by Landlord for the preservation of the Premises or the building. Landlord shall not interfere with the operations of the Tenant's business or make an unreasonable number of inspections of the Premises. In exercising its right of access pursuant to this Section 13, Landlord shall comply with Chapter 369 of the Acts of 2012, 105 CMR 725.000 *et seq.*, G.L. c. 94G, G.L. c. 94I and all other applicable laws and regulations.
14. **SUBORDINATION OF LEASE.** This Lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the property of which the Premises are a part and the Tenant shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this Lease to said mortgages, deeds of

trust.

15. **SURRENDER OF REMEDIES.** Upon the expiration of the Term, Tenant shall surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and tear thereof and damages by the elements excepted. Tenant shall remove any of Tenant's equipment, goods and personal property from the Premises prior to the expiration of the Term.
16. **QUIET ENJOYMENT.** Tenant, upon Tenant's observance of all rules and regulations, and Lease terms, shall and may peacefully and quietly have, hold and enjoy said Premises during the Term.
17. **INDEMNIFICATION.** Except for matters arising from or relating to Landlord's negligence or misconduct, Landlord shall not be liable for any damage or injury of or to the Tenant, Tenant's family, guests, invitees, agents or employees or to any person entering the Premises. Tenant hereby agrees to indemnify, defend and hold Landlord harmless from any and all claims or assertions as a result of Tenant's fault, neglect or misconduct.
18. **DEFAULT.** If Tenant fails to pay rent when due and the non-payment continues for ten (10) days after notice thereof from Landlord, it shall constitute a default, and Landlord may, at Landlord's option, charge a late fee equal to one and a half percent (1.5%) of the rent payment due. If such default continues for more than thirty (30) days, the Landlord may immediately terminate the Lease and may pursue all rights and remedies available to Landlord at law or in equity. If Tenant declares bankruptcy or fails to comply with any of the other material provisions of this Lease, other than the covenant to pay rent, and fails to correct such action within thirty (30) days after delivery of written notice by Landlord specifying the non-compliance, Tenant is in default and Landlord may terminate this Lease. Notwithstanding the foregoing, Landlord shall be required in a commercially reasonable manner to mitigate its damages hereunder, including taking all commercially reasonable steps necessary to re-let the Premises, and any rent received by the Landlord through such re-letting shall be offset against the duties and obligations of the Tenant hereunder.
19. **ABANDONMENT.** If Tenant ceases operations or abandons the Premises for more than sixty (60) days, Landlord may, at Landlord's option, obtain possession of the Premises in the manner provided by law. Landlord may, at Landlord's discretion, as agent for Tenant, re-let the Premises and may receive and collect all rent payable by virtue of such re-letting. Tenant shall be liable for any difference between the rent that would have been payable under this Lease during the balance of the unexpired Term and the rent for such period realized by Landlord by means of such re-letting.
20. **FORCE MAJEURE.** In the event that there is damage to the Premises by any reason or cause reasonably beyond the control of Landlord or Tenant which renders the Premises, or any appurtenance thereto, inoperable or unfit for Tenant's occupancy or use, Tenant shall not be liable for any delays resulting from Landlord's inability to obtain materials or labor or other matters to make the necessary repairs to the Premises to render it operable and fit for Tenant's occupancy and use. Tenant shall be relieved of paying rent

and other charges during any portion of the Lease that the Premises inoperable or unfit for Tenant's occupancy or use. Rent and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. If Landlord is unable to make the necessary repairs to the Premises to render it operable and fit for Tenant's use within ninety (90) days following the occurrence of the damage, Tenant shall have the right to terminate the Lease by providing written notice to terminate to the Landlord and Tenant shall have no further obligations hereunder.

21. **LIMITATION OF REMEDIES.** Notwithstanding anything in this Lease to the contrary, the Landlord hereby agrees that Landlord's rights and remedies in this Lease, including any remedies for a default, shall not include the seizure of any assets protected by the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012 or any successor legislation, i.e. any product containing any amount of marijuana. The Landlord shall not be entitled to a repayment or remedy that provides to Landlord inventory of Tenant that contains any amount of marijuana, in any form, whether flower or infused product. The Landlord hereby forfeits any such remedy. In addition, Landlord hereby understands and agrees that a Certificate of Registration, whether provisional or final, is non-transferrable, and may not be assigned or transferred without prior approval from the Massachusetts Department of Public Health ("DPH") or any regulatory body succeeding to the oversight of Massachusetts' medical marijuana program. Landlord agrees that Tenant's Certificate of Registration is not an asset that is available as a remedy for Tenant's default under this Lease, and hereby expressly waives any such remedy.
22. **RECORDING OF LEASE.** Tenant shall have the right to record this Lease as a Notice of Lease subject to the terms of this Lease and compliant with the Landlord's Lenders' requirements.
23. **GOVERNING LAW.** This Lease shall be governed, construed and interpreted by, through and under the Laws of the Commonwealth of Massachusetts without reference to any conflict of laws principles that would cause the application of laws of any jurisdiction other than the Commonwealth of Massachusetts.
24. **SEVERABILITY.** If any provision of this Lease or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Lease nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.
25. **BINDING EFFECT.** The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the Landlord and Tenant
26. **DESCRIPTIVE HEADINGS.** The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the Landlord or Tenant.

27. **CONSTRUCTION.** The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.
28. **NON-WAIVER.** No indulgence, waiver, election or non-election by Landlord under this Lease shall affect Tenant's duties and liabilities hereunder.
29. **FEES.** Each party shall be responsible for its own legal, advisory and miscellaneous expenses associated with the completion of this Lease.
30. **MODIFICATION.** This Lease shall not be modified, changed, altered or amended in any way except through a written amendment signed by Landlord and Tenant.
31. **AMENDMENT.** The Parties may amend this Lease at any time by written mutual agreement.
32. **NOTICE.** Any notice required or permitted under this Lease or pursuant to state law shall be deemed sufficiently given or served if hand delivered, sent via overnight delivery or sent via certified mail, return receipt requested. Notice shall be effective: (a) if personally delivered, when delivered; (b) if by overnight delivery, the day after delivery thereof to a reputable overnight courier service, delivery charges prepaid; and (c) if mailed, at midnight on the third business day after deposit in the mail, postage prepaid. Notices sent by mail or overnight courier shall be sent to:
- If to Tenant: The address of the Premises
 - If to Landlord: To Landlord's primary address noted above.
33. **APPROVAL.** The terms of this Lease shall be subject to approval by the DPH or any successor administrative body, and in the event that the DPH or its successor requires amendments, this Lease shall be amended as required and to reflect the intent of the parties.

[SIGNATURE PAGE FOLLOWS]

* * * * *

IN WITNESS WHEREOF, the parties hereunto set their hands and seals as of the date first set forth above.

LANDLORD:

COMFORT STORAGE II, LLC

By: 

Name: Nicole Campbell

Title: Managing Member

TENANT:

THE GREEN LADY DISPENSARY, INC.

By: 

Name: Rupert Campbell

Title: President

44 Trapelo Road
Belmont, MA 02478

The
APPRAISERS
Group

617.489.2003
appraisersgroup.com
fax 617.489.2033

November 30, 2017

Nicole Campbell
RE: Green Lady Dispensary
320 Mt. Holly Road
Katonah, NY 10536

Re: Market Rent Analysis
11 Amelia Drive
Nantucket, MA 02554
(Report# 173554 - Nantucket)

Dear Ms. Campbell:

At your request, I have prepared a market rent analysis for the above referenced property based on the review of the plans provided. The land area of 13,068 square feet is improved with two buildings. The proposed use of the subject property is to renovate and redevelop the two buildings on site.

One building, set back off the street is a single story wood frame building with 1,340 square feet of street grade space that will be utilized as the medical marijuana dispensary and the basement is to be re-designed as 1,072 square feet of marijuana cultivation space. As complete the building will have a finished area of 2,412 square feet on two floors.

The 2nd building comprises a 2 story wood frame building that will be redeveloped as an extraction lab, a trimming and curing and an additional flowering area on the 1st floor, security offices and vault area and a cloning area on the 2nd floor. The basement will be converted to a growing or flowering area and there is an additional 300 square feet of vegetation area in the attic. The total area in this building is calculated to be 4,194 square feet of useable space.

I considered the property as a mixed cultivation and dispensary property with a total of 6,606 square feet based on the detailed plans provided. I have included the plans provided by the client in the body of this report.

I considered that the property will require significant renovations in order to utilize the space for the proposed purposes and took that into account in completing the analysis of a "market rent" for the subject property. These factors were given significant consideration in completing the rental analysis.

**11 Amelia Drive
Nantucket, Massachusetts**

The intended use of this report is to comply with the guidelines for the Commonwealth of Massachusetts in regards to non-profit compliance. The intended user is The Green Lady Dispensary, Inc. I have completed my research based on the market conditions as of the inspection date of the site November 17, 2017. An extraordinary assumption is made that the property will be re-developed as a 6,606 square foot, medical marijuana cultivation facility and dispensary and will meet all current building code requirements.

The Commonwealth of Massachusetts requires a submission by an independent opinion by a qualified appraiser providing an opinion that the rent to be charged in the lease of the subject property is in compliance with the non-profit requirements of 105 CMR 725.100 (A) (1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-marijuana Compliance.

As part of my rental analysis of similar medical marijuana facilities, I called the Executive Office of Health and Human Services, Department of Health and spoke with Jenny Nathan and legal counsel (Attorney Kay Doyle) of the Medical Marijuana Retail Department to verify the type of report the state required. The pertinent terms under 3. Real Estate section Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance (Updated May 15, 2015) indicate payment for real estate leased by a RMD should reflect fair market value for the property in question.

The RMD must be prepared to provide the rental value by a Massachusetts licensed real estate appraiser specializing in commercial property to demonstrate compliance with the regulation. Jenny Nathan and Attorney Doyle stated that a "fair market rental survey" and an opinion of the rental value of the property would be sufficient for compliance purposes.

I relied on the detailed plans provided by the client in order to complete the rental analysis of the subject property. I reviewed the exterior of the property and relied on the proposed redevelopment of the property in order to complete the analysis. I discussed the proposed development with the Nicole Campbell who represented the Green Lady Dispensary and went over a proposed architectural floor plan for the facility as part of the scope of the work.

My rental survey comprised researching broad based, published market data and contacting participants involved with renting, opening and leasing medical marijuana dispensaries and cultivation facilities in the state. I spoke with a number of people involved in this medical marijuana market and called brokers familiar with the Nantucket real estate market specifically. I also spoke with commercial property owners, managers and brokers who had been approached by these types of users as part of market study. The appraiser found sufficient data from other medical marijuana dispensaries and cultivation facilities and these were types of properties were considered primary indicators in forming an opinion of the market rent.

I expanded the search to other commercial properties that had significant build-out that showed what other users were paying for fit-out of similar retail and other special use facilities. The Nantucket commercial rental market is very small compared to most of the other facilities in the state and I had to rely of broader based rental data to complete this analysis. My primary rental data is from similar medical marijuana properties I have appraised in the recent past and other rental levels from similar use properties.

**11 Amelia Drive
Nantucket, Massachusetts**

I was only able to find a few commercial rentals in Nantucket and none with similar medical marijuana use. Limited weight was given to the local rental market due to the limited data available. I did find that the few commercial rents I was able to find started with rents in the \$40.00 per square foot range. Other medical marijuana facilities in Massachusetts were researched and these were given most weight in completing the rental study. Comparable rental data from totally fit-out spaces provided the best indication of value for the subject property.

All of these steps were necessary in order to form an opinion of the fair market rent for this type of facility. Weight was given to some similar dispensary and cultivation property leases in place or pending leases for similar facilities within Massachusetts. I have reviewed actual leases and Letters of Intent (LOI) as part of my research of this market.

A detailed Scope of Work is provided on the following page.

**11 Amelia Drive
Nantucket, Massachusetts**

Scope of Work

Extent of Property Identification		Comments
Reviewed Assessing Data	Yes	
Obtained Deed(s) from the Registry	Yes	
Obtained Site Plan(s)	Yes	See detailed site plan provided with the architectural renderings.
Other	N/A	
Extent of Property Inspection		
Completed an Exterior Inspection	Yes	See Certification.
Completed an Interior Inspection	No	Based on architectural renderings provided.
Measured Exterior of Building(s)	No	Based on floor plans and assessing data.
Completed a Neighborhood Inspection	No	Relied on aerial maps, local brokers and GIS map.
Other	N/A	
Other Subject Data Researched or Analyzed		
Rent Rolls	No	
Subject Lease(s)	No	
Subject Lease Summaries	No	
Historic Expense(s)	No	
Easement Information	No	
Construction Cost Data	Yes	I was provided with a rough figure of the costs to renovate the property. No detailed cost estimates were provided.
Floor Plan(s)	Yes	Architectural renderings are provided in the addendum of this report.
Information from Client	Yes	
Information from Owner	Yes	
Information from Buyer	N/A	
Information from Seller	N/A	
Other	Yes	Data used and/or presented in this report that supports the analysis and value opinion(s) may include data from CoStar's Quarterly Market Reports, PwC Investor Surveys, Appraisers Group electronic database of rent and sales data (data comps), and Appraisers Group excel files with cap rate and operating expense comparables.
Extent and Type of Data Researched		
Completed a Highest and Best Use Analysis	No	
Comparable Sales	No	
Comparable Rents	Yes	I considered other marijuana cultivation and dispensary rental data as primary comparables. Local commercial rent levels and other newly renovated and constructed commercial rents were considered.
Local, Regional and National Economic Conditions	Yes	
Area Market Conditions	Yes	
Discussed Market with area Brokers or other market participants	Yes	I spoke with numerous brokers familiar with the Nantucket real estate market.
Construction Costs	Yes	Costs to renovate the space and provide a turnkey space was considered.
Capitalization Rates	No	
Discount Rates	N/A	
Absorption Rates	N/A	
Soft Costs	N/A	
Developer Profit	N/A	
Other		
Approaches Developed		
Cost Approach	No	Costs to renovate as described were considered.
Income Approach	Yes	Detailed comparable rental data was considered in completing the rental study.
Sales Comparison Approach	No	
Reconciled the Approaches Developed	No	
Other Comments		
		I relied on similar marijuana facility rentals as the primary indicators. The data was supported by local commercial rents and other newly constructed retail and office spaces. Sufficient data was found in order to form an opinion of an estimated "market rent" for the subject property.

**11 Amelia Drive
Nantucket, Massachusetts**

Definition:

Market Rent is defined as the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

The Dictionary of Real Estate Appraisal, Fourth Edition; the Appraisal Institute

Property Description

The subject property comprises a 0.30 acre land parcel located directly on Amelia Drive in Nantucket. The site has 102 foot frontage directly on Amelia Drive. The site is rectangular and level at the street grade with a curb cut and a paved entrance driveway that leads to past the front building improvement to the rear of the lot.

The two buildings are wood framed with a two story house at the front of the site and a single story building previously utilized as a dentist's office at the rear of the lot. I was unable to inspect the interior of the building and relied on the proposed plans provided by the client in order to form an opinion of the level of finish "as complete".

The plans are to redevelop the two buildings building to be fit-out and utilized as a medical marijuana cultivation and dispensary facility. The basements in both buildings will be converted to cultivation areas. Other areas will be repurposed as additional cultivation space, a street grade dispensary and associated offices, secure areas and additional cultivation spaces. Finishes will include a main entrance to a showroom with a front waiting and reception area. A more detailed description of the improvements is provided later in this discussion.

The GIS site plan is provided on the next page. The plan shows the topography of the land and the building placement on the site. The site plans are followed by area maps and exterior photos of the subject property.

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Site

The subject land comprises a 0.30 acre parcel that is generally level and at street grade. There is a single curb cut and a paved driveway leading to a paved open parking lot with space for seven (7) cars. There is a well-manicured front lawn and green area between the two buildings. There are foundation shrubbery around the two buildings and two mature trees located near the front of the property. The site appears to be adequately maintained with no adverse conditions noted.

Public utilities have been brought to the existing improvements, including municipal water and sewer, electricity, gas and telephone.

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Building Description

The property is developed with two separate buildings and a discussion and architectural renderings of the property "as proposed" are provided below:

The rear building at the rear of the site (**Building 1** in the developer's plans) is described as follows:

The single story wood frame building was reported to have been constructed in 1954. I reviewed the current floor plans of the building which indicated the property was most recently utilized as dentist offices. I did not inspect the interior of the building. The proposed use will convert the building to be utilized as a medical marijuana dispensary with the above grade 1,340 square feet to be utilized as the showroom, retail area, reception and registration area, prep area and offices for the dispensary. The interior will be totally renovated and in good overall condition.

The plans are to use the basement area as a cultivation space with equipment for growing and maintaining the space for growing medical marijuana. There is a small mechanical room shown in the plans that will house the building utility systems for heat, hot water and electrical panel. The finished basement area is calculated to be 1,072 square feet. The property will be totally fit-out to meet the lessee's requirements as part of the lease agreement. The appraiser assumes that the Town of Nantucket has approved the use of the property for this purpose and that the quality of construction will meet the current building code requirements. Nicole Campbell who represented the client stated the town had approved the proposed plans as provided in this report.

The above grade dispensary will include an open area for customer sales with a sales counter, a secure vestibule, pick-up and patient services area, a single lavatory at the rear of the building with offices and a prep area. The rear offices areas will be finished as modern office space with painted plaster walls, dropped acoustic ceiling tiles and vinyl tile or carpeted flooring. Security features include a secure entrance vestibule, surveillance cameras, secured display area and other high security features.

A new ramp to allow for wheelchair access is included into the design of the property as completed.

The front building (**Building 2**) is described as follows:

The assessing records indicated front building was most recently utilized as a two family dwelling. I did not inspect the interior of the building. The client provided a detailed floor plan and design of the subject property "as completed". I have considered the property to be delivered as shown in these plans and in good overall condition.

The first floor of the building will include a total of 1,476 square feet of finished space with separate 544 square feet of growing area, with the remaining space to be finished as a drying and trimming area, a preparation area, processing area and commercial "kitchen" all to be utilized for preparation of the finished product. A new lavatory will be installed on the first floor as well.

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The second floor of the building will be utilized as corporate offices, secure storage and an additional 544 square foot area utilized for cultivation. Two full bathrooms are located on the 2nd floor and the appraiser assumes these will be newly renovated. All interior finishes are to be new and in good overall condition. Total finished area on the 2nd floor is 1,476 square feet.

The plans show an additional 942 square feet of finished cultivation space to be completed on the basement area and 300 additional square feet in the attic area. Due to the costs associated with the finished growing areas, I have included all of the space in the total finished area to be rented. The total finished area in this building is calculated to be 4,196 square feet of rentable space.

The detailed floor plan is provided on the following page.

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The Market for Medical Marijuana Use

I have completed other rental studies for medical marijuana facilities within the Commonwealth of Massachusetts over the last two years. I spoke with attorneys and company representatives who are involved in the daily operations and approved businesses, property owners and tenants who have been active in the initial stages of the medical marijuana industry in Massachusetts over the last few years. Medical marijuana use was voted to be legal, with restrictions dating back to 2012. A total of 15 companies have approvals in place to sell medical marijuana at this time.

According to the Department of Public Health's web site (as of October 31), a total of 248 applications for Registered Marijuana Dispensaries and Cultivation facilities were submitted to the State since 2015. The applications are in various stages of approval at this time. To date, the DPH has issued 117 Provisional Certificates of Registration, 21 Final Certificates of Registration, and 15 Approvals to Sell Medical Marijuana. I reviewed the on-line list of applications on the Commonwealth of Massachusetts website as part of the market analysis.

Data on the Department of Health public web site details all other applications in various stages of approval and the market is considered an active one as more cultivation facilities and dispensaries come on line. My focus for the purpose of this report was on both the cultivation and dispensary facilities which could be considered as a blend of special use properties with elements of office use, cultivation space, preparation space and processing space. Interior finishes take into account the mixed use of the subject property with newly renovated spaces for cultivation, processing and sale of medical marijuana.

At this point in time, there are a limited number of comparable rentals in this market in Massachusetts. I was able to secure rental figures for a few of the actual and pending rentals properties and these were given major consideration in the rental analysis. I also considered some of the rental studies I have completed and considered those in my overall analysis for the subject cultivation facility.

The people involved in the business I spoke with were reluctant to provide specific data in regards to the actual addresses, the names of the property owners or the tenants for confidentiality reasons. I have included the data provided and the locations are county based.

Early on in my research, dating back to 2015, I spoke with a property owner in the Oak Square section of Brighton who had two retail vacancies with an asking rent of around \$25.00 per square foot on a net basis. He told me he was approached by a medical marijuana dispensary owner looking for space in his building. He told me he would not rent to them due to the stigma attached to marijuana and the issues that have surrounded the drug over the last 60 years. I recently confirmed the retail spaces in the Oak Square property were rented over the last few months. This owner's statement illuminates one of the challenges that medical marijuana dispensaries and cultivation users must overcome. Another property owner actually added a clause in his lease that if the rented space were to be approved for medical marijuana use, then the rent would be subject to increase, which shows that some property owners are looking to take advantage of these businesses.

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Zoning regulations also make this a difficult market to gain approvals from cities and towns. The market is limited and there is significant resistance from property owners at this time. I have taken this into account in forming an opinion of the current market conditions. A few cities and towns have voted not to allow dispensaries within the towns at all. The proposed use of the subject property as a cultivation and dispensary for medical marijuana will offer an opportunity to utilize the building as a viable operating business and add some new jobs on Nantucket.

This is the only medical marijuana on Nantucket and there are no comparable rental spaces on the island. For this reason I have considered the rental market for dispensaries and cultivation spaces throughout the state as the best indicators of the market for this type of property.

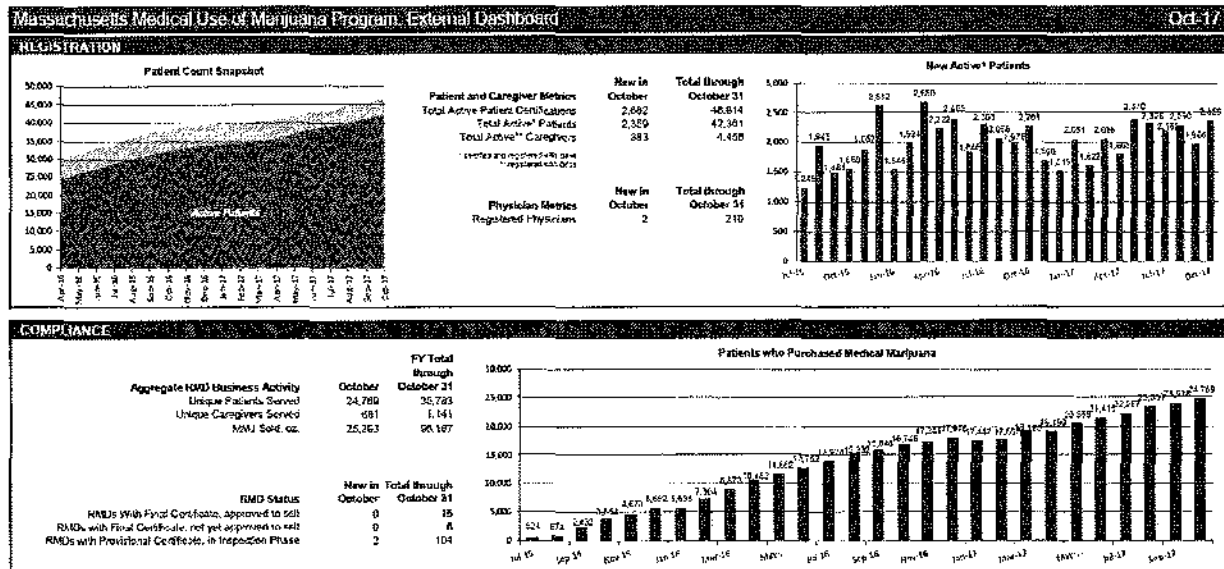
I considered recent and current high end retail and office finished space rentals on Nantucket and found retail rents starting at \$40.00 per square foot. The subject property is located in an area known as mid-island where rents start in the \$35.00 per square foot price range. I spoke with three local brokers, all with some knowledge about the commercial market on Nantucket. The consensus from the local brokers was that downtown commercial rents were in the \$80.00 -100.00 per square foot range and mid-island commercial rents were in the \$35.00 to \$45.00 per square foot range.

These types of properties with state approvals for medical marijuana use cannot rely on typical bank funding since most banks are insured by the FDIC which is a federal agency. Since there are no federal approvals in place, banks could not provide insured loans and therefore most financing for cultivation facilities would come from the secondary market. This would be from hedge funds or private investors. Higher interest rates would prevail for this type of property loan. This is discussed further in the market analysis within this report.

Data on the State web site details other applications in various stages of approval and the market is considered an active one as more cultivation facilities and dispensaries come on line. My focus was primarily on dispensaries which are considered as a retail and office use. Interior finishes are specific to the use but would most likely be in line with other newly built retail and office finishes.

The charts below show the steady increase in patients who purchased Medical Marijuana since July of 2015. Demand for additional locations is strong and there is increasing interest in these types of facilities.

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At this point in time, there are a limited number of comparable rentals in this market in Massachusetts. I was able to secure rental figures for a few of the actual and pending rentals properties and these were given consideration in the rental survey.

Most of the market participants I spoke with were reluctant to provide specific data in regards to the actual addresses, the names of the property owners or the tenants for confidentiality reasons. I have included the specific data provided and the locations are county based.

Rental data and a description of the comparable spaces are provided as part of the survey.

Location and Neighborhood Characteristics

The subject property is located in a mid-island location south of the "downtown" area about a mile to the north. This is the area where the Oak Bluff's Ferry and the Hyannis Ferry comes in and where the Whaling Museum and Children's Beach are located.

The subject property is on a moderately travelled roadway that runs from Old South Road to the north and to Tacoma Way to the south. The entire length of the street is less than 1,000 linear feet. Improvements on the street include residential dwellings and numerous small businesses that cater to the local residents. Nearby companies on the street include a Yoga studio, message facility, hair salon, barber shop and local grocery store (Annye's Whole Foods) across the street.

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The Nantucket Police Department facility is located adjacent to the subject property just northwest of the subject property with frontage on Fairgrounds Road. Local restaurants are located on the subject roadway and on other nearby streets. Granite City Electrical Supply has a retail store at the corner of Tacoma Way and Amelia Drive. Other improvements nearby comprise mostly single family residences. The Nantucket State Forest is located four (4) blocks south of the subject property.

No adverse neighborhood conditions affecting marketability were noted at the time of inspection, and the neighborhood area was judged a desirable location for the approved use.

Appeal/Marketability

The subject improvements are to be renovated with significant costs to customize and renovate the property as a medical marijuana cultivation and dispensary facility. The location is convenient to major routes and is easily accessible on the Island.

The subject space will be offered for rent as a completely fit-out facility to be in full compliance of the building codes and industry standards. The completed improvement would be attractive to a specific type of user and this is taken into consideration in the rental analysis.

The limited number of approved facilities in Massachusetts makes this type of space more difficult to find and therefore in greater demand than other specialty use facilities. Obtaining a location approved by a local municipality for this type of use is difficult to find and once approved, the demands for this use is considered strong at this time in the market. All of these factors are given consideration in completing the rental analysis.

Market Survey

The scope of my work included researching comparable rents, discussing the market with market participants and estimating a market rent for the subject property "as complete". Some of the rents considered are actual and pending rentals from other medical marijuana facilities are provided in the following grid.

Additional rental information from retail spaces and offices were researched for Nantucket and the demand for any commercial space tends to be very strong. I spoke with brokers in four different real estate offices and these discussions provided me with enough information to consider what an applicable rent for the subject property would be. All of the data is considered in forming an opinion of the estimated "market rent" for the subject property.

A comparable rental grid of similar use properties is provided on the following page.

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No.	County	Type of Space	Street	Tenant	Leased Area (S.F)	Rent	Lease Term	Lease Starts	Expense Allocation	Comments
1	Plymouth	Medical Marijuana Dispensary	Confidential	Confidential	4,400	\$30.00	5 Years + 5 Year renewal option	TBD	NN	This was an ongoing negotiation for renting commercial space for use as a RMD. Tenant would be responsible for all interior fit-out for this space. The lease has not been signed as of the date of this report.
2	Middlesex County	Medical Marijuana Dispensary	Confidential	Confidential	2,200	\$20.00	10 Years	7/1/2015	NNN	Signed agreement with annual increases of 3% over the term of the agreement.
3	Franklin County	Medical Marijuana Dispensary and Cultivation Facility	Confidential	Confidential	15,000	\$15.00	10 Years	10/30/2015	NNN	This is a recent rental for a medical marijuana dispensary and cultivation facility that is in place. The lease calls for 3% annual increases during the 1st 4 years. There is an option to expand the space and significant increases are written into the lease. This was for raw space.
4	Middlesex	Medical Marijuana Dispensary	Confidential	Confidential	2,500	\$46.00	10 Years	8/1/2015	NNN	This is a recent rental for a dispensary that is in place. The lease calls for 3% annual increases over the term of the leases.
5	Suffolk	Medical Marijuana Dispensary	Confidential	Confidential	1,642	\$92.00	10 Years	2017	NNN	The raw space was rented for \$78.00 per square foot. The space is to be renovated as a RMD and is to be rented at over \$90.00 per square foot. This is a busy urban location and provides the uppermost end of the rental range.
6	Middlesex	Medical Marijuana Dispensary	Confidential	Confidential	4,450	\$35.00	10 Years+ 2-5 Yr. renewal options	1/1/2016	NNN	Signed agreement currently in place in the Metrowest market. The lease has annual increases of 5% built into the terms of the lease agreement.

I recently completed a rental study for a 9,000 square foot proposed dispensary in Worcester and I concluded a \$36.00 per square foot rent for this property. The data above is from reliable sources involved with ongoing negotiations and recent transactions of similar facilities. The data shows that the renovated, / fit-out dispensaries rent from \$35.00 to as high as \$92.00 per square foot. The most similar locations tend to be in the \$30.00 to \$45.00 per square foot range. All signed leases are rented on a NNN basis, meaning the tenant would be responsible for their own utilities, and a proportionate share of the real estate taxes and property operating expenses.

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The tenant is responsible for the fit-out of the spaces for rental 2, 3, and 4 based on the information provided. The subject space will be delivered as completed and totally fit out by the property owner.

I completed a similar rental study for new construction of a dispensary in Norfolk County and I was able to form an opinion of a market rate of \$35.00 per square foot for that facility. This dates back to 2016 and I would expect a slightly higher rent going forward. I include this since the property is to be rented as fully built-out with the tenant able to move right in and begin operations.

Comparable Retail Rental Data

As support for the above data I have researched the Nantucket market for any similar commercial spaces. I was able to find one recent rental of a 1,930 square foot retail space located within a mixed-use property in a similar mid-island location. The property at 54 Old South Road in Nantucket recently rented for \$6,500 per month which correlates to \$40.41 per square foot. The property is a similar vintage older wood frame building and there is a handicapped access ramp similar to the subject property. This rental offers a glimpse of the mid-island retail market.

I spoke with quite a few brokers who stated that downtown rents in Nantucket ranged from \$80.00 to \$100.00 per square foot and that the mid-island location rents were much lower. Two spaces in the downtown area (14 Easy Street) were reported to have recently been rented for \$85.00 psf for a 460 sf retail area and \$100 psf for a larger 910 square foot retail area facing the street. A few of the brokers stated rents in the mid-island location tended to rent in the \$35.00 to \$45.00 per square foot range and that the spaces were often rented via word of mouth rather than through typical commercial brokerage.

I looked on MLS and LoopNet and found no current rental listings available for this type of space on Nantucket. The property directly across the street from the subject property is owner occupied as a local grocery store. This property at 14 Amelia Drive was on the market for sale but there was no comparable rental figure available for the property. I researched MLS data going back three years and could not find a commercial retail or office space for rented over the last 5 years.

The best information I could gather came from speaking with five different real estate brokers whose office is on Nantucket and they have been involved with the local real estate for a number of years. All stated that downtown rents were very high at around \$85.00 per square foot and up. They all stated mid-island locations, like the subject property would achieve a rent in the \$35.00 to \$45.00 price range.

Basement space rent is not typically included in the rentable area, but the subject basement and attic area is to be finished as cultivation space with special lighting and other growing equipment in the area finishes. For this reason I considered these areas as finished spaces and applied an estimated "market rent" to these areas. Many times finished basement space can be rented at a reduced level since it is below grade and gets limited natural light. The subject cultivation space will have specialty lighting and therefore a "market rent" could be achieved based on the actual use.

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I considered high end, modern or newly constructed retail rental data, but the found that Nantucket is a market unto itself with little comparability to the broader based market in Boston or the Greater Boston market.

I focused on newly constructed or newer retail properties in order to form an opinion of rent levels for the proposed facility which will be newly renovated. I have included some newer modern retail and office spaces in Worcester, Franklin and Hopkinton.

I researched retail rents on Cape Cod but the market tended to rent in the \$15.00 to \$25.00 range and the locations did not appear to have the same type of appeal as the subject commercial market on Nantucket. I have included a few of the rentals just to show the broad based market rather than to rely on them as strong support in forming my opinion of value. These rentals are provided below.

No.	Location	Space	Address	Tenant	Leased SF	Lease Rate (\$/SF)	Lease Term / Start Date	Renewal Options	TI Allowance	Expense Allocation	Comments
1	Franklin	Restaurant	150 Emmons Street	Pepperoni's	1,503	\$28.00	10 Years / 2017	none	Vanilla Box	NNN	Years 6-10 the rent increases to \$31.00 per square foot. Brand new restaurant space located at the corner of East Central and Emmons Street.
2	Franklin	Retail Service	500 West Central St.	Bank	6,246	\$36.50	9/1/2008	Unknown	As Is	NNN	Triple net lease agreement on West Central Street in Franklin.
3	Franklin	Retail	480 West Central Street	Sherwin Williams	3,127	\$33.72	4/1/2017	Unknown	As Is	NNN	National chain paint store located directly on Route 140. Good visibility.
4	Franklin	Restaurant	648 West Central Street	Noodles	3,500	\$40.00	9/1/2015	See Comments	As Is	NNN	Rental of a restaurant in a multi-tenanted retail plaza directly on Route 140 in Franklin. Good visibility.
5	Hopkinton	Retail	85 W. Main Street	Starbucks	2,000	\$40.00	2013 / 5 Years	See Comments	See Comments	NNN	End Cap retail space rented as a "vanilla box" Tenant completed interior finishes. 10% Increase in rents every 5 years. 3 - 5 year options.
6	Hopkinton	Retail	85 W. Main Street	Nail Salon	1,300	\$31.00	2015 / 15 Years	See Comments	As Is	NNN	Modern retail space constructed in 2015. Tenant was responsible to complete interior finishes. 10% Increase in rent every 5 years. 3-5 year options to renew.
7	Worcester	Medical Offices	70 Elm Street	Confidential	2,750	\$27.00	7/1/2015 / 5 years	See Comments	As Is	Modified Gross	2nd floor medical office space in a newer office building completed in 2014. Street grade space is available for \$19.00 psf on a NNN basis. Broker - Drew Higgins 508-835-6784.
8	Hopkinton	Office / Retail	85 W. Main Street	Bank	2,800	\$49.00	2015 / 15 years	Unknown	As Is	NNN	Increases are scheduled for year 6. There are 3-5 year options to renew. Interior finishes are high-quality offices and retail.

The 8 comparable rentals in suburban locations offer broad-based overview of the newly renovated retail market. The data is given limited weight but offers some support in forming an opinion of value. Primary weight is placed on the comparable medical marijuana facilities I have researched and the market data provided by the brokers on Nantucket.

The data provided is considered the best available and offers a strong indication of the rental market at this time.

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The information regarding the marijuana dispensaries and cultivation facilities was obtained via conversations and written information provided by other market participants. I spoke with numerous brokers who work the Nantucket market and this data offered a strong indication of the subject market. The local brokers I spoke with offered a similar view of the Nantucket market and I relied on the information provided in my analysis. I also discussed the market with other appraisers who have been working in this field in Vermont, and Maine over the last few years. We discussed the roadblocks present at this time for new start up medical marijuana facilities within the New England Region.

Some of the other individuals I spoke with are noted below:

Attorney John Brazilian was representing a buyer of a property in Lowell being purchased as a Marijuana Cultivation facility.

Attorney Thomas Doyle, out of Chelmsford, was representing the proposed tenant of the Lowell property.

Anthony Parrinello, CEO of Manna Wellness, a medical marijuana company in the Massachusetts market.

Attorney Valerio Romano of VGR Law firm in Boston. His firm represents various tenants looking for RMD and cultivation facilities and throughout the Greater Boston area.

These individuals have been involved with the emerging medical marijuana cultivation and dispensary market in Massachusetts and the data provided is considered reliable and offers a strong indication of the current market conditions.

The appraiser considered the rental rates for the comparable cultivation and dispensaries the strongest indication of the market rate. Most of the retail rents provided are NNN agreements, meaning the tenant is responsible for their own utilities, a proportionate share of the real estate taxes and the property operating expenses. The subject property is proposed to be rented on a NNN basis.

The appraiser reviewed a number of commercial leases and found they are typically long term agreements of at least five (5) years. Rent increases are typically built into the lease agreements. I have considered rent increases as part of the market analysis. Increases include 3% and 5% annually for a few of the spaces and 10% every (5) five years for some of the other retail spaces.

Broad based market data suggests the retail market is very strong and rents have been increasing over the last five years. Data for Greater Boston and the southwestern suburbs is provided on the following pages.

Rental Summary

The appraiser relied on rental data from mostly other medical marijuana facilities due to lack of any similar space on Nantucket. I spoke with brokers who provided a good parameter for the Nantucket commercial rental market and this was given consideration in my analysis. The comparable RMD facility rental figures were rented as raw space with the tenant paying for fit-out of the space.

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These rents ranged from \$15.00 to \$92.00 per square foot. The 6 dispensaries provide an average rent of \$39.67. Taking out the highest at \$92.00 per square foot and the lowest at \$15.00 per square foot, provides an average rent of \$32.75.

One market participant who is trying to find dispensary space stated that the high fit-up costs make it difficult to find suitable space for the dispensaries which require specialized finishes.

The costs for completing the subject interior space are substantial due to the need to provide a secured vault space and sealed counter spaces. Growing equipment and extraction equipment for a commercial "kitchen" was also considered in the costs associated with providing a turnkey space for the incoming tenant.

I discussed these costs with the property owner and a rough figure of \$600,000 was provided. This would include upgrading the electrical service, the HVAC systems, the commercial kitchen, the Apeks Supercritical Co2 Extractor, and providing the space as shown in the architectural renderings provided. Customer service areas, security rooms, transfer areas and a waiting room are also needed as part of the fit-out for the rented space.

Some of the comparable medical marijuana facilities had the tenant taking the risk to fit-out the space. These rents were found to be substantially lower than the spaces rented as totally fit-out as finished facilities where the tenant can just move right in. **The subject property will be delivered to the tenant totally fit-out.**

Local banks are not providing funds for these types of properties at this time and funding will come from private investors and the secondary market where lending rates tend to be substantially higher than federally insured bank rates.

Secondary funding costs tend to be in the 15% to 20% range at this time and this is a major factor to be considered.

The appraiser weighed the average equity return figures between 7.08% and 8.38% as provided by the Korpacz data and the secondary lending rates for this type of property.

The data researched is from a thorough overview of the market with a limited data base within the industry. The dispensary data was consistent and offers a reliable range on a per square foot basis.

Supporting data was researched in order to form an opinion of the fit-out rental rate for the subject property. The costs to the property owner to complete the interior space would suggest a rate toward the upper end of the range provided by the comparable dispensaries and other modern or newly constructed rentals.

The appraiser considered the market risks and limiting availability of appropriate zoning for this type of use within the analysis.

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The tenant will be provided with totally fit-out space with the renovations costs borne by the property ownership entity. This is factored into the final analysis. All of these elements of the market are considered, and the data provides a fairly tight range for the subject property.

I considered the entire property as a cultivation and dispensary with a rate that takes into account the above grade space at \$45.00 per square foot and the below grade, growing and cultivation space at about half that rate at \$22.50 per square foot. Separating the prime space from the secondary space the proposed income is calculated as follows:

Above grade 1st and 2nd floor space:
4,292 square feet X \$45.00 psf = \$193,140

Basement & attic space:
2,314 square feet X \$22.50 psf = \$52,065

This analysis provides a total rental income of \$245,205 per year which correlates to an annual rental rate of \$37.12 per square foot on an annual basis. I considered the property for a single tenant who would be responsible for all operating expenses, utilities, permits and maintenance of the property. This is considered a triple (NNN) net agreement which was found to be common for similar facilities and other commercial properties in this market.

Conclusion of Subject Market Rent

I concluded the property would be rented with a blended rate as described above. The estimated market rent is calculated below:

\$37.12 PSF x 6,606 square feet = \$245,205 per year

I took into account the increases in rent prevalent in the market and would expect the lease to include rate hikes going forward. A lease of 5-10 years with annual increases between 3% and 5% would be appropriate based on the comparable rental data found and provided in this report.

Should you have any questions or if I may be of further assistance, please feel free to contact me.

Sincerely,



Robert M. Veaner
STAFF APPRAISER
THE APPRAISERS GROUP
MA CERT. GENERAL R.E. APPRAISER LIC. #70044



Richard A. Goulet
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ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the appraiser appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the appraiser on the report.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketches or plans in this report are included to assist the reader in visualizing the property, and the appraiser assumes no responsibility for their accuracy. The appraisers have made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made here for.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures that would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering studies that might be required to discover such factors.
6. Information, estimates and opinions furnished to the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser can be assumed by the appraiser.

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7. Disclosure by the appraiser of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the Appraisal Institute and any other professional appraisal organizations with which the appraiser is affiliated.
8. Neither all nor part of the contents of this report, or copy thereof (conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which they are connected) shall be used for any purposes by anyone but the client or its assigns without the previous written consent of the appraisers; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraisers.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workman-like manner.
10. The appraiser assumes that there are no hazardous wastes contaminating the sub soils. The appraiser is not qualified to detect such substances on the property or to evaluate the effect of such substances on the value of the property.
11. This assignment was undertaken for the client specified herein. The appraisers do not recognize or assume any duty to persons other than that client in the formulation of this report and its conclusions. The client may make such reasonable use of this report as is consistent with the function of the report, but any third or other party into whose possession the report may come should not assume that its rationales or conclusions will serve any other client or function. Possession of this report, or a copy thereof, does not carry with it the right of publication.
12. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is noted.
13. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the analysis.

**11 Amelia Drive
Nantucket, Massachusetts**

14. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
15. This is a consulting assignment intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice.
16. The undersigned is a fully qualified commercial appraiser who has been involved in the valuation and/or review of many similar properties. The education and experience in valuing and reviewing similar properties satisfies the competency provision of USPAP.
17. I have made the following extraordinary assumptions, the use of which could affect the outcome of this analysis: 1) the property will be developed as a 6,606 square foot, fit-out medical marijuana cultivation and dispensary with associated offices. 2) The property as completed will meet all building code requirements and all other governmental finish requirements in a good workman like manner.

**11 Amella Drive
Nantucket, Massachusetts**

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of facts contained in this report are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
5. The value estimates found within were not based upon a requested minimum valuation, a specific valuation, or the approval of a loan;
6. Robert M. Veaner has reviewed neighborhood data, reviewed photos and floor plans of the subject property. The property photos were provided by Janine Franceschi who is a local broker in Nantucket. Richard Goulet has not inspected this property.
7. No one provided significant professional assistance to the person signing this report. Janine Franceschi, a local broker provided the exterior photos of the property.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in accordance with the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)* as adopted by the Appraisal Standards Board of the Appraisal Foundation; which include the *Uniform Standards of Professional Appraisal Practice*.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives

**11 Amella Drive
Nantucket, Massachusetts**

10. As of the date of the report, Richard A. Goulet completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
11. I have not performed services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

In all references herein to any persons, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.



Robert M. Veaner
Staff Appraiser
MA CERT. GENERAL R.E. APPRAISER LIC. #70044



Richard A. Goulet, MRA
SUPERVISORY APPRAISER
MA CERT. GENERAL R.E. APPRAISER LIC. #9

**11 Amella Drive
Nantucket, Massachusetts**

11 AMELIA DR**Location** 11 AMELIA DR**Mblu** 67 / / 432 / /**Acct#** 00005786**Owner** DAVIS ROY M & NIXON
SUSAN E TRST**Assessment** \$1,133,300**PID** 5786**Building Count** 2**Current Value**

Assessment			
Valuation Year	Improvements	Land	Total
2016	\$748,500	\$384,800	\$1,133,300

Owner of Record

Owner DAVIS ROY M & NIXON SUSAN E TRST
Co-Owner HIDDEN BROOK FARM TRUST
Address 11 AMELIA DRIVE
 NANTUCKET, MA 02554

Sale Price \$0
Certificate
Book & Page 01499/0277
Sale Date 09/09/2015
Instrument 99

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
DAVIS ROY M & NIXON SUSAN E TRST	\$0		01499/0277	99	09/09/2015
DAVIS ROY M & SUSAN E NIXON	\$0		00726/0333	99	12/04/2001
DAVIS ROY M & NIXON SUSAN E	\$0		00540/0001	99	06/16/1997
DAVIS ROY M	\$125,500		00489/0126	00	11/28/1995
GLIDDEN RICHARD J TR	\$0		00225/ 098		

Building Information**Building 1 : Section 1**

Year Built: 1996
Living Area: 2,693
Replacement Cost: \$385,768
Building Percent 94
Good:
Replacement Cost
Less Depreciation: \$362,600

Building Photo

Building Attributes	
Field	Description

Alt Land Appr No
Category

Outbuildings

Outbuildings	Legend
No Data for Outbuildings	

Valuation History

Assessment			
Valuation Year	Improvements	Land	Total
2016	\$748,500	\$384,800	\$1,133,300
2015	\$788,700	\$557,500	\$1,346,200
2014	\$679,100	\$557,500	\$1,236,600
2013	\$719,700	\$557,500	\$1,277,200
2012	\$920,700	\$501,800	\$1,422,500

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ROBERT M. VEANER
114 Orchard Street, Millis, MA 02054
MA General Certified RE Appraiser #70044
781-718-9574

QUALIFICATIONS OF THE APPRAISER

APPRAISAL EXPERIENCE

1997 to present	<i>The Appraisers Group, Belmont, MA</i> Commercial Appraiser Preparation of narrative and FNMA residential appraisal reports for mortgage financing, secondary market (FNMA/FHLMC), foreclosure, estate and divorce proceedings.
1990-1997	<i>Federal Deposit Insurance Corporation</i> Real Estate Specialist-Commercial Real Estate Reviewed full narrative appraisal reports for content and data accuracy.
1987-1990	<i>Samia Companies</i> Oversaw real estate marketing and management operations. Prepared real estate tax abatement applications and established departmental procedures.
1981-1987	<i>Appraisers Collaborative</i> Real estate appraiser for both residential and commercial properties. Private consultation for revaluation of city real estate assessments.

EDUCATION

Boston University-Boston, MA
B.A. Liberal Arts

COURT TESTIMONY

He has appeared before the Worcester County Court and is qualified as an expert witness.

APPRAISAL EDUCATION

2015	USPAP Update Seminar, <i>MBREA</i>
2014	USPAP Update Seminar, <i>MBREA</i>
2014	Appraisers Expo, Commercial Program, <i>MBREA</i>
2013	Appraisers Expo, Commercial Program, <i>MBREA</i>
2012	Appraisers Expo, Commercial Program, <i>MBREA</i>
2012	USPAP Update Seminar, <i>MBREA</i>
2011	USPAP Update Seminar, <i>MBREA</i>
2011	Appraisers Expo, Commercial Program, <i>MBREA</i>
2011	Appraising Incoming Producing properties
2010	USPAP Update Seminar, <i>MBREA</i>
2010	Appraisers Expo, Commercial Program, <i>MBREA</i>
2009	Appraising Distressed Commercial Real Estate, <i>Appraisal Institute</i>
2009	Appraisers Expo, Commercial Program, <i>MBREA</i>
2009	Appraising Complex Residential Properties, <i>MBREA</i>
2009	Appraising Easements, <i>MBREA</i>
2009	USPAP Update Seminar, <i>MBREA</i>
2008	Appraisers Expo, Commercial Program, <i>MBREA</i>
2007	USPAP Update Seminar, <i>MBREA</i>

Qualifications of Robert M. Veaner

2007	Appraisers Expo, Commercial Program, <i>MBREA</i>
2006	Online Analyzing Operating Expenses, <i>Appraisal Institute</i>
2006	Appraisers Expo, <i>MBREA</i>
2006	The Technical Inspection of Real Estate, <i>the Beckman Co.</i>
2006	USPAP Update Seminar, <i>MBREA</i>
2005	USPAP Update Seminar, <i>MBREA</i>
2005	Appraisers Expo, <i>MBREA</i>
2004	USPAP Update Seminar, <i>MBREA</i>
2003	Uniform Standards of Professional Appraisal Practice, <i>RE Academy, Inc.</i>
2003	USPAP Update Seminar, <i>MBREA</i>
2002	Appraiser as an Expert Witness, <i>Appraisal Institute</i>
2002	USPAP Update Seminar, <i>MBREA</i>
2001	USPAP Update Seminar, <i>MBREA</i>
2000	USPAP Update Seminar, <i>MBREA</i>
1999	Appraising Complex Residential Properties, <i>MBREA</i>
1997	Uniform Standards of Professional Appraisal Practice, <i>RE Academy, Inc.</i>
1984	Applied Residential Property Valuation 102 Capitalization Theory & Tech. Part A FIRREA and Appraisal Seminars, <i>Appraisal Institute of RE Appraisers</i>
1984	Applied Residential Property Valuation 102 Capitalization Theory & Tech. Part A FIRREA and Appraisal Seminars, <i>Appraisal Institute of RE Appraisers</i>
1982	Real Estate Appraisal Courses I & II Fannie Mae/Freddie Seminars, <i>MBREA</i>
1981	Real Estate Appraisal Courses I & II Fannie Mae/Freddie Seminars, <i>MBREA</i>

MEMBERSHIPS AND AFFILIATIONS

Member MBREA
MA Real Estate Broker #103230
MA Certified General R.E. Appraiser License #70044

44 Trapelo Road
Belmont, MA 02478

The **APPRAISERS** *Group*

617.489.2003
appraisersgroup.com
fax 617.489.2033

CURRICULUM VITAE

RICHARD A. GOULET, MRA, ASA

*Massachusetts Certified General Real Estate Appraiser License #9
American Society of Real Estate Appraisers, Accredited Senior Appraiser (ASA)*

Richard Goulet has been involved in real estate since 1974 and real estate appraising since 1980. He is the President of the Appraisers Group, which he founded in 1983. The company provides real estate valuation and consulting services to the banking and legal professions as well as to a broad based regional and local business clientele.

His appraisal experience includes the valuation of residential, commercial, and industrial properties. In addition, he has completed appraisals for eminent domain purposes, estate and tax matters, and ad valorem tax issues.

In 1995, he was elected President of the Massachusetts Board of Real Estate Appraisers (MBREA). He received his MRA designation in 1988. In 2005 he was awarded the William D. Steward Distinguished Service Award from the MBREA.

Court Testimony

He has appeared before the U.S. Bankruptcy, Essex, Middlesex, Norfolk and Suffolk County Courts and is qualified as an expert witness.

Appraisal Instruction

He has taught real estate appraisal at Northeastern University and Bentley College. He has lectured on real estate valuation before the Probate Judges of the Commonwealth of Massachusetts and for the Massachusetts Continuing Legal Education, Inc., as part of a special conference on the valuation of marital assets, and also MCLE course for new lawyers on divorce and family law and for the Massachusetts Mortgage Bankers Association (MMBA) on Commercial Lending. He has taught Real Estate Appraisal Techniques for RMA, the Association of Lending & Credit Risk Professionals, Valuing Marital Assets for the Boston Bar Association Continuing Legal Education, and Commercial Lending Basics and Appraisal Basics Course II for the MMBA.

Appraisal Publications

He has written numerous articles on appraisal issues and was a regular contributor to the New England Real Estate Journal.

Related Experience

- | | |
|-----------|---|
| 1984-1993 | Mr. Goulet was appointed an Assessor the Town of Watertown, Massachusetts. In this role, he participated in the management of the residential and commercial property valuations. |
| 1982-1984 | Mr. Goulet served as consultant & review appraiser to the City of Boston Assessing Department. In that capacity he was involved in both residential and commercial valuation. |
| 1978-1982 | Vice President and General Manager, Little & Company Real Estate, Inc., Boston, MA. Directed successful marketing of a large residential and commercial property inventory. Provided appraisal services for in-house clients. |
| 1974-1977 | Real Estate Broker, Little & Company Real Estate, Inc., Boston, Massachusetts. |

Qualifications of Richard A. Goulet, MRA

Affiliations

American Society of Appraisers, Accredited Senior Appraiser (ASA)
Real Property/Real Property (All Property Types)

Massachusetts Board of Real Estate Appraisers
Holds the MRA Designation
Elected President, 1995
Past Member, Board of Trustees

Commonwealth of Massachusetts, Board of Registration, Real Estate Appraisers Certified General Appraiser, License #9

<i>Candidate/Member</i>	The Appraisal Institute
<i>Member</i>	Employee Relocation Council
<i>Member</i>	MA Mortgage Bankers Association
<i>Licensed Broker</i>	Massachusetts
<i>Past Director</i>	Massachusetts Mortgage Association

Education

1973	Bachelor of Science Degree in Finance, Suffolk University, Boston, Massachusetts
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Partial Client List

Atwood and Cherny, Boston, Massachusetts
Beverly Bank, Beverly, Massachusetts
Burns & Levinson, Boston, Massachusetts
Cambridge Savings Bank, Cambridge, Massachusetts
Casner and Edwards, Boston, Massachusetts
Citizens Bank, Boston, Massachusetts
East Boston Savings Bank, Cambridge, Massachusetts
Eastern Bank, Saugus, Massachusetts
First Trade Union Bank, Boston, Massachusetts
Law Office of Rosemary Purtell, Newton, Massachusetts
Leader Bank, Arlington, Massachusetts
Lee & Rivers, Boston, Massachusetts
Middlesex Savings Bank, Natick, Massachusetts
Schmidt & Federico, Boston, Massachusetts
Reading Cooperative Bank, Reading, Massachusetts
Reimer & Braunstein, Boston, Massachusetts
Todd & Weld, Boston, Massachusetts
Winter Hill Bank, Somerville, Massachusetts
Witmer, Karp, Warner & Ryan, Boston, Massachusetts

Appraisal Education

2017	Emerging Issues, Allterra
2017	Making Appraising Great Again, Allterra
2016	Supervisory Appraiser/Trainee Appraiser Course, Appraisal Institute
2016	New England Appraisers Expo-Commercial Program, MBREA
2016	2016-2017 USPAP Update Seminar, MBREA
2015	New England Appraisers Expo-Commercial Program, MBREA

Qualifications of Richard A. Goulet, MRA

2015 2015 Regulatory Update/Best Practices, Allterra Group
2015 2015 Keynote, The Future of Valuation, Allterra Group
2015 Understanding, Applying & Adopting Collateral Underwriter, MBREA
2015 Breakfast with the Experts-Residential Appraising for Lenders Update-Collateral Underwriter & Residential Appraisal Update, MBREA
2014 Breakfast with the Experts-Work File and Revision Management, MBREA
2014 Economic Outlook and RE Trends 2014, Appraisal Institute
2013 USPAP Update Seminar, MBREA
2013 Breakfast with the Experts-Valuing Deed Restricted Real Property, MBREA
2013 New England Appraisers Expo-Residential Program, MBREA
2013 Breakfast with the Experts-Appraisal Review from the Underwriter's Perspective, MBREA
2013 GIS in Massachusetts: Better Free Data: Better Free Tools, MBREA
2013 Valuation Case Studies, Appraisal Institute
2013 Marketing Studies: Advanced Considerations & Applications, Appraisal Institute
2012 Working Together for Success, MBREA
2012 New England Appraisers Expo-Commercial Program, MBREA
2012 Breakfast with the Experts-Current Market Conditions, MBREA
2012 USPAP Update Seminar, MBREA
2012 Market Outlook & Real Estate Trends, Appraisal Institute
2011 Appraisal Review from the Underwriters Perspective, MBREA
2011 Uniform Appraisal Dataset, MBREA
2011 Physical Evaluation of Real Estate Assets, Boston University
2010 Economic, Capital Markets & Investment Outlook, Appraisal Institute
2010 **Instructor for MBREA:** Breakfast with the Experts: Oddball Properties, MBREA
2010 **Instructor for MBREA:** Data Mining: Digging Into Data Sources for Better Appraisals
2010 USPAP Update Seminar, MBREA
2009 New England Appraisers Expo-Commercial Program, MBREA
2009 VFR and Valuation during Market Decline, Appraisal Institute
2009 Valuation of Green Residential Properties, Appraisal Institute
2009 New England Economic & Federal Agency Conference for Appraisers, MBREA
2009 Economic Outlooks and Real Estate Trends in 2009, Appraisal Institute
2009 Appraising Historic Preservation Easements, Appraisal Institute
2008 Investment Market Outlook, Appraisal Institute
2008 National USPAP Course, MBREA
2007 Foreclosures, Deeds and Easements, MBREA
2007 Breakfast with the Experts – Foreclosures, Deeds, and Easements, MBREA
2007 Mass GIS – A Tool for the Future Today, MBREA
2006 Appraisers Expo - Commercial Program, MBREA
2006 Economic Outlooks and Real Estate Trends in 2006, Appraisal Institute
2006 Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions, Appraisal Institute
2006 Buildings Systems Overview, Appraisal Institute
2006 ABA/AI Teleconference Spring 2006, Appraisal Institute

Qualifications of Richard A. Goulet, MRA

- 2005 Professional Guide to the Uniform Residential Appraisal Report, Appraisal Institute
- 2005 Residential Land Development, Appraisal Institute
- 2004 Essentials - What Every Appraiser Should Know, MBREA
- 2004 The Inns and Outs of the Hospitality Industry, Appraisal Institute
- 2003 Insights into the Appraisal Foundation, MBREA
- 2003 N.E. Appraisers Expo-Commercial Program, MBREA
- 2003 Economic Outlook and Real Estate Trends - 2002, Appraisal Institute
- 2002 Home Inspections and How They Impact Value, MBREA
- 2002 Condemnation Appraising: Basic Principles & Applications, MIT Center for R.E.
- 2002 The Appraiser as an Expert Witness: Preparation & Testimony
- 2002 N.E. Appraisers Expo-Residential Program, MBREA
- 2001 N.E. Appraisers Expo-Commercial Program, MBREA
- 2000 Contemporary Issues in Appraising, MBREA
- 2000 Partial Interest Valuation—Undivided, Appraisal Institute
- 2000 N.E. Appraisers Expo-Commercial Program, MBREA
- 2000 The Seaport Plan and the Appraisal Process, Appraisal Institute
- 2000 Economic Outlook and Real Estate Trends in 2000, Appraisal Institute
- 2000 Appraisers, Assessors, Attorneys and the Appellate Process, Appraisal Institute
- 2000 General Marketing-Contemporary Issues, MBREA
- 1999 General Marketing-HUD/FHA, MBREA
- 1999 Attacking and Defending, MBREA
- 1999 Bankruptcy Court, MBREA/Appraisal Institute
- 1999 USPAP Update, MBREA /Appraisal Institute
- 1999 N.E. Appraisers Expo-Commercial Program, MBREA
- 1999 FHA Homebuyer & Appraisal Procedures, Appraisal Institute
- 1998 N.E. Appraisers Expo-Commercial Program, MBREA
- 1997 N.E. Appraisers Expo-Commercial Program, MBREA
- 1997 Back to Basics, Part IV: Errors and Omissions, MBREA
- 1997 Standards of Professional Practices, Part B., Appraisal Institute
- 1996 The Greater Boston Home Purchase Process; Served on Blue ribbon panel to develop and implement solutions to barriers in home ownership for minority and low income people, Federal Reserve Bank of Boston
- 1996 Uniform Standards of Professional Practices and Reporting Options Update, Massachusetts Board of R.E. Appraisal
- 1996 Making the Most of the Market: Appraisal and Appraisal Users, MBREA
- 1996 N.E. Appraisers Expo-Commercial Program, MBREA
- 1996 Appraisal Environmental Offerings, MBREA
- 1995 N.E. Appraisers Expo-Commercial Program, MBREA
- 1995 Contemporary Issues in Appraising II, MBREA
- 1995 Contemporary Issues in Appraising III, MBREA

Qualifications of Richard A. Goulet, MRA

- 1995 Appraising in a Changing Environment-Title V, MBREA
- 1994 N.E. Appraisers Expo-Commercial Program, MBREA
- 1994 Changes to the Standards: Departure and Appraisal Reporting Options, Massachusetts Board of R.E. Appraisal
- 1994 Persuasive Styles in Narrative Appraisal Reports, MBREA
- 1994 Business & Personal Property Appraising, MBREA
- 1994 Contemporary Issues in Appraising 1, MBREA
- 1994 Appraising Affordable Housing, CHAPA
- 1993 Contemporary Issues in Lending-Commercial, Market Conditions for the 90's and Beyond, MBREA
- 1993 Appraising Affordable Housing (AI), MBREA
- 1993 Mock Trial MBREA Gen. Membership Meeting 1, MBREA
- 1992 R.E. Property Valuation Seminar, MA Continuing Legal Education, Inc.
- 1992 Case Studies in Real Estate Valuation, Appraisal Institute
- 1991 Capitalization Theory & Techniques, Part B, Appraisal Institute
- 1991 Standards of Professional Practice, Part A, Appraisal Institute
- 1990 Capitalization Theory & Techniques, Part A, American Institute of Real Estate Appraisers
- 1989 Course 101, An Introduction to Appraising Real Property, Society of R.E. Appraisers
- 1989 Freddie Mac, New Residential Income Property Report Seminar, Society of Real Estate Appraisers
- 1988 Standards of Professional Practice & Conduct, Society of Real Estate Appraisers
- 1987 Which Rate Should Rate? - Case Study, NYNEX Properties Company/CCIM
- 1987 FNMA Guidelines Seminar, MBREA
- 1987 R-41C and the Appraiser - Seminar, Society of Real Estate Appraisers
- 1987 Financial Calculations and Cash Equivalency, Am. Assoc. of Certified Appraisers
- 1986 Guest Lecturer- Condominium Valuation, Massachusetts Continuing Legal Education Valuation and Division of Marital Assets
- 1986 Assessors Course 101, Commonwealth of Massachusetts Department of Revenue
- 1985 Property Classification Seminar, Massachusetts Department of Revenue
- 1985 The Federal Home Loan Bank Board R-41B Narrative, Appraisal Report Writing Seminar, American Institute of Real Estate Appraisers
- 1985 Course 1A - Appraisal Report Writing, MBREA
- 1984 Computer Applications in Real Estate, Bentley College
- 1984 Partnerships and Syndications, National Business Institute, Inc.

Qualifications of Richard A. Goulet, MRA

- 1984 The Appraisal of Land and Land Restrictions, Commonwealth of Massachusetts,
Department of Food and Agriculture
- 1983 Course 102 - Applied Residential Property Valuation, Society of Real Estate
Appraisers
- 1983 Fannie Mae - Freddie Mac Residential Property Course, MBREA
- 1982 Real Estate Appraisal I, MBREA

Marijuana Establishments so as to allow sufficient time to address the effects of such structures and uses in the Town and to enact bylaws in a consistent manner.

B. Definition

"Recreational Marijuana Establishment" shall mean a "marijuana cultivator, independent testing laboratory, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business."

C. Temporary Moratorium

For the reasons set forth above and notwithstanding any other provision of the Zoning Bylaw to the contrary, the Town hereby adopts a temporary moratorium on the use of land or structures for a Recreational Marijuana Establishment and other uses related to recreational marijuana. The moratorium shall be in effect through December 31, 2018. During the moratorium period, the Town shall undertake a planning process to address the potential impacts of recreational marijuana in the Town, and to consider the Cannabis Control Commission regulations regarding Recreational Marijuana Establishments, and shall consider adopting new Zoning Bylaws in response to these new issues.

Or take any action relative thereto.

(Board of Selectmen)

ARTICLE 2

(Zoning Bylaw Amendment: Retail and Medical Marijuana)

To see if the Town will vote to amend Chapter 139 (Zoning) of the Code of the Town of Nantucket by taking the following actions *(NOTE: new language is shown as highlighted text, language to be deleted is shown by strikeout; these methods to denote changes are not meant to become part of the final text and, further, that non-substantive changes to the numbering of this bylaw be permitted in order that it be in compliance with the numbering format of the Code of the Town of Nantucket):*

1. Amend section 2A, definitions, by deleting an existing definition and inserting new definitions, in alphabetical order, as follows:

~~REGISTERED MARIJUANA DISPENSARY~~

~~An establishment containing a not-for-profit entity, as defined by Massachusetts law only, registered by the Department of Public Health, that acquires, cultivates, possesses, processes (including development of related products such as food, tinctures, aerosols, oils, or ointments) transfers, transports, sells, distributes, dispenses, or administers marijuana, products containing marijuana, related supplies, or educational materials to qualifying patients or their personal caregivers. The Planning Board shall be the special permit granting authority for any registered marijuana dispensary.~~

MARIJUANA ESTABLISHMENT - RECREATIONAL

A marijuana cultivator, independent testing laboratory, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business as defined in G.L. c.94G, §1. Recreational marijuana establishments are subject to the following standards:

- (1) Recreational marijuana establishments shall be located in stand-alone facilities and shall not be allowed within a building or structure containing other retail, commercial, residential, industrial, or other uses, except for co-location with a licensed medical marijuana treatment center.
- (2) A minimum separation of 500 feet, measured between lot lines, is required between recreational marijuana establishments and state-certified public or private schools or state-licensed day care centers.
- (3) No building permit for a recreational marijuana establishment shall issue until the applicant has executed a Host Community Agreement with the Town pursuant to G.L. c.94G, §3(d).

Recreational marijuana establishments shall be subject to the zoning moratorium adopted as §139-37 of this Bylaw. Applicants may not apply for a special permit for recreational marijuana establishments prior to January 1, 2019.

MARIJUANA TREATMENT CENTER - MEDICAL

A premises approved under a medical use marijuana license pursuant to G.L. c.94I that acquires, cultivates, processes, transports, sells, distributes, dispenses or administers marijuana for the benefit of registered qualifying patients in the treatment of debilitating medical conditions or the symptoms thereof. Medical marijuana treatment centers are subject to the following standards:

- (1) Medical marijuana treatment centers shall be located in stand-alone facilities and shall not be allowed within a building or structure containing other retail, commercial, residential, industrial, or other uses, except for co-location with a licensed recreational marijuana establishment.
- (2) A minimum separation of 500 feet, measured between lot lines, is required between medical marijuana treatment centers and state-certified public or private schools or state-licensed day care centers.
- (3) No building permit for a medical marijuana treatment center shall issue until the applicant has executed a Host Community Agreement with the Town pursuant to G.L. c.94G, §3(d).

2. Amend section 7A as follows:

- a. By striking "Registered marijuana dispensary" in the Use Chart in its entirety;
- b. By adding new uses "Marijuana establishment - recreational" and "Marijuana treatment center - medical" in the Use Column between "Health spa" and "Medical Clinic" to be allowed by special permit (SP) in the CN and CI districts only.

3. Amend section 7B by adding a new subsection (7) as follows:

Medical marijuana treatment centers and recreational marijuana establishments shall be prohibited as an accessory use in all zoning districts.

4. Amend section 30A as follows:

The special permit granting authority shall be the Board of Appeals for all special permits, except those special permits for which the Planning Board is specifically designated by any provision of this chapter. In instances where any portion of a project involves a special permit application to the Planning Board for apartment, apartment building, elder housing facility, medical marijuana treatment center, recreational marijuana establishment, neighborhood employee housing, and tertiary dwelling all pursuant to § 139-2 and § 139-7A, business commercial, commercial industrial, and industrial uses as categorized in the "Use Chart" pursuant to § 139-7A, residential development options pursuant to § 139-8, and for certain uses in the Public Wellhead Recharge District pursuant to § 139-12B, the Planning Board shall serve as the special permit granting authority for all other special permits required in connection with such project.

Or take any action relative thereto.

(Board of Selectmen)

ARTICLE 3

(Local Option Tax on Sale of Recreational Marijuana)

To see if the Town will vote to accept the provisions of General Laws Chapter 64N, Section 3(a), as recently amended by Section 13 of Chapter 55 of the Acts of 2017, and to authorize the Town to impose a local sales tax upon the sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the Town to anyone other than a marijuana establishment, at the rate of 3 percent of the total sales price received by the marijuana retailer as a consideration for the sale of marijuana or marijuana products; or to take any other action relative thereto.

(Board of Selectmen)

ARTICLE 4

(Supplemental Appropriation: Fire Station)

To see what sums the Town will vote to appropriate, and also to raise, borrow pursuant to any applicable statute or transfer from available funds, to be spent by the Town Manager with the approval of the Board of Selectmen, to supplement the previous appropriations made under Article 11 of the 2015 Annual Town Meeting and Article 5 of the November 9, 2015 Special Town Meeting to pay costs for constructing a new fire station at 4 Fairgrounds Road, including the costs of professional services for design, permitting, architecture, construction supervision, and other related professional services, including all costs incidental and related thereto; provided, however, that any