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October 10, 2022

VIA E-MAIL

Waterford Township Board of Trustees
c/o Kim Markee, Township Clerk
5200 Civic Center Drive
Waterford, MI 48329

Re: MJ Highland, LLC – Medical Marijuana Provisioning Center license

Dear Ms. Markee:

I represent Michael Acho and MJ Highland, LLC, which received conditional approval on July 12, 2021, for a Medical Marijuana Provisioning Center License at the site located at 2060 Dixie Highway, Waterford Twp., MI 48328. Pursuant to Section 10-303(i) of the Township’s Medical Marijuana Facility Licensing Ordinance, the conditional approval is valid for “a period of one (1) year after the Township Board’s final decision [to conditionally approve an applicant], or such later date as allowed by the Township Board. . .” As a result, MJ Highland’s conditional approval was originally set to expire on July 11, 2022. The conditional approvals for those applicants that were approved on July 12, 2021, including MJ Highland, were later extended to December 31, 2022, following the Township Board’s adoption of its “Resolution Extending Medical Marijuana Facility License Issuance Period.” In advance of the December 31, 2022 deadline for the July 12th approvals, **I write this letter as a formal request for the Township Board to extend MJ Highland’s conditional approval for one year following the resolution of the MPH Ventures, LLC’s lawsuit against the Township, or alternatively, until December 31, 2023.** To that end, we are asking for our extension request to be placed on the Township Board’s October 24th agenda and are happy to discuss the below developments with the Board at that time.

From the outset, MJ Highland and its principal, Michael Acho, have been committed to completing the project at 2060 Dixie Highway and to operating a successful and flourishing provisioning center at that location. MJ Highland initially partnered with 3Fifteen Cannabis, which became 51% owner of MJ Highland, in order to build out and beautify the property. And on September 29, 2021, the Township approved MJ Highland’s site plan. Unfortunately, 3Fifteen Cannabis shortly thereafter sold its stake in MJ Highland to Skymint—a partner that MJ Highland did not choose.

Following the Township Board’s July 11th resolution extending the conditional approvals to December 31st, it became clear to MJ Highland and Mr. Acho that Skymint—now controlling 51% of MJ Highland—was not going to move forward with development of the project. While

construction on the site had not commenced for various reasons, including supply chain and construction labor issues, Skymint's extended delay went largely unexplained to Mr. Acho and handcuffed MJ Highland from continuing with construction.

The changing landscape for marijuana businesses in Michigan and the lawsuit *MPH Ventures, LLC v Charter Township of Waterford, et al.* (Oakland County Circuit Court Case Number 2022-194311-CZ), filed on May 27, 2022, likely contributed to Skymint's construction delay. As the Township Board is aware, MPH Venture's lawsuit alleges that the Township's application process was flawed, among other alleged improprieties. MPH Venture's complaint also requests that the court enter an order declaring that all six marijuana facility licenses issued by the Township, including the conditional approval issued to MJ Highland, are null and void. There is therefore some uncertainty surrounding the conditional approval awarded to MJ Highland and other approved applicants. Nonetheless, as a result of Skymint's extended delay and in an effort to move forward with the project at 2060 Dixie Highway, Mr. Acho reached out to Skymint to buy back its 51% interest in MJ Highland. Skymint agreed to sell its majority stake back to Mr. Acho, and that ownership transfer is currently pending CRA approval.

MJ Highland appreciates the Township's urgency to revitalize the property at issue and understands the policy behind the one-year window for conditional approvals. MJ Highland, however, is determined to complete construction and obtain state licensing for its provisioning center. MJ Highland has come to terms with the owners and founders of the Wild Bill's Tobacco retail chain and Green Buddha Cannabis Co., a provisioning center and adult-use retailer located in Ferndale, MI. We are confident that MJ Highland, with the financial backing and cannabis retail expertise of its new prospective partners, will be able to efficiently complete the project at 2060 Dixie Highway and reinvent that corner of the Township.

The Township Board has the authority to extend the expiration dates for conditional approvals under Sec. 10-303(i) of the Township's ordinance. With the above as context, and with the uncertainty of the MPH Ventures lawsuit, MJ Highland requests that the Township Board grant it a 12-month extension of its conditional approval from the date the MPH Ventures lawsuit is resolved, assuming the court does not nullify the existing licenses. Indeed, MJ Highland and its new prospective partners would otherwise have to immediately begin expending significant resources on the 2060 Dixie Highway property while its conditional approval is tied up by the court. If the Township Board prefers a date certain for any proposed extension, then MJ Highland alternatively requests a 12-month extension until December 31, 2023. Although MJ Highland expects to complete construction and become fully-licensed under the MMFLA well before that date, this extension would provide ample opportunity for MJ Highland to submit a revised site plan that is tailored to the design preferences of the prospective partners and the current climate of the marijuana industry in Michigan, obtain building permits, and begin construction on the property.¹

Although it has faced some obstacles since obtaining its conditional approval in July of 2021, MJ Highland—now with a partner it has chosen and vetted—is committed to moving

¹ MJ Highland anticipates making minimal revisions to the interior plans of the building. A revised, proposed interior layout is attached to this letter as Attachment A.

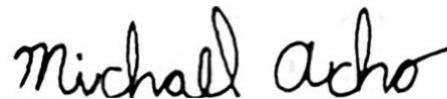
forward with the project at 2060 Dixie Highway and has the financial backing and expertise to do so. At the same time, MJ Highland does not want to rush into construction facing a December 31st deadline; it would instead prefer to develop the property at a careful but efficient pace so that it can properly beautify this important traffic corner of the Township. MJ Highland will put forth best efforts and expend significant resources to revitalizing the corner of Dixie Highway and Telegraph Rd. In order to so, we ask that the Township Board place MJ Highland's condition approval extension request on the Board agenda for October 24, 2022.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

Handwritten signature of Robert P. Zora in black ink.

Robert P. Zora, Esq.

Handwritten signature of Michael Acho in black ink.

Michael Acho

Cc: Kari Vlaeminck
kvlaeminck@waterfordmi.gov

ATTACHMENT A

Levels Waterford V1 10-3-22

