

From: Aaron Geyer <aaron@chrisaiello.com>
Sent: Thursday, December 24, 2020 5:04 AM
To: Markee, Kimberly <kmarkee@waterfordmi.gov>
Subject: Medical Marihuana Facility License Ordinance Question

To Whom It May Concern:

My name is Aaron Geyer, my address is 32411 Mound Road, Warren, Michigan 48092.

I acknowledge that the submission and any Township response will be posted on the Township's website for Medical Marihuana Facility Licensing.

1. Of the items to be provided, under item #22, an applicant is required to provide "(22) Proof of insurance in the form of a certificate of insurance evidencing the existence of commercial general liability insurance on an occurrence basis with limits of liability of not less than \$2,000,000.00 per occurrence and aggregate for personal and bodily injury and property damage that names the Township and its officials and employees as additional insureds, and worker's compensation insurance as required by state law, issued by companies licensed and authorized to do business in the State of Michigan with a rating acceptable to the Township."

Does the Applicant have to secure a policy of insurance and pay the requisite premiums for a license they are not assured to be awarded and provide coverage for a license not issued, or can an Applicant provide a Commercial Liability Letter of Intent to be underwritten for the policy limits set forth in the Ordinance?

2. Of the items to be provided, under item #23, an applicant is required to provide either cash, a surety bond, or an irrevocable bank letter of credit. Can a stakeholder of the applicant act as a surety on the bond?

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TOWNSHIP RESPONSES

1. The specified insurance must be in existence with the Named Applicant as the insured. It is not required to be solely for the facility license. A Letter of Intent such as described in the question will not satisfy the Ordinance requirement.

2. The surety on the surety bond described in the Ordinance, and form approved as Exhibit D of the Township Board's November 23, 2020, Resolution Approving Medical Marihuana Facility License Procedures, Forms, and Fees should be by an insurance or bonding company in

the business of providing such bonds. “Applicants” as defined in Section 10-294(b) of the Ordinance (which does not use the term “stakeholder”) may not be the surety on the bond.