SETTLEMENT AGREEMENT BY AND BETWEEN ADVISORY NEIGHBORHOOD COMMISSION 6B and Bud Love LLC t/a Bud Love

Pursuant to DC Code § 25-446, this Settlement Agreement, ("Agreement"), between Bud Love, LLC t/a Bud Love (the "Applicant"), and Advisory Neighborhood Commission 6B ("ANC 6B"), takes effect on the date of its approval by ANC 6B. This agreement covers Applicant's business at 1221 Pennsylvania Ave, SE ("the Establishment"), Washington, District of Columbia ("DC") 20003 (the "Premises").

WHEREAS, Applicant applied (ABCA-128413) to the DC Alcoholic Beverage and Cannabis Administration ("ABCA") for a new medical cannabis retailer license on approximately 677 square feet of the Premises to permit Applicant to sell cannabis flower, cannabis concentrates, and a line of edible products to registered patients, along with a delivery endorsement, permitting Applicant to deliver medical cannabis to registered patients. Applicant also applied for a safe use treatment facility endorsement and an educational tasting endorsement

WHEREAS, for purposes of this Agreement the term "registered patients" includes caregivers and individuals who are registered in a jurisdiction other than DC; and

WHEREAS, Applicant and ANC 6B seek to enter into a voluntary Agreement memorializing the terms and conditions under which ANC 6B agrees to support Applicant's license application, conditioned on Applicant's promise to operate to minimize the Establishment's impact on (i) neighborhood peace, order, and quiet; (ii) pedestrian safety and vehicular traffic; (iii) real property values of nearby residential properties; (iv) residential parking; and (v) security and sanitation of the area around the Premises ;

NOW, THEREFORE, Applicant and ANC 6B agree as follows:

- 1. <u>ANC 6B Promise</u>. Conditioned on Applicant's approval of, and fulfillment of its promises under, this Agreement, including the recitals above, ANC 6B agrees to support Applicant's application before ABCA to secure a medical cannabis retailer's license, with a delivery endorsement, a safe use treatment facility endorsement and an educational tasting endorsement.
- 2. <u>Nature of Business and Location of Sales</u>. Applicant has applied for a medical cannabis retail facility ("Retailer") at 1221 Pennsylvania Ave, SE, Washington, DC. Applicant shall permit qualifying patients to purchase medical cannabis products only in the interior of the Premises or by delivery to registered patients in Washington, DC.
- 3. Hours of Operation and Sales. Applicant's hours of operation, sales, and delivery shall be:

 Retailer Hours of Operation: Sunday Saturday: 8:00 am 10:00 pm

 Hours of Retailer Sales Open to the Public: Sunday Saturday: 9:00 am 9:00 pm

 Hours of Delivery for Retailer: Sunday Saturday: 9:00 am 9:00 pm

 Hours of Safe-Use Treatment Facility: Sunday Saturday: 9:00 am 9:00 pm

Applicant shall maintain visible signs at the Premises' entrance clearly identifying the hours of medical cannabis retail sales and for the safe-use treatment facility.

4. <u>Prevention of Illegal Cannabis Sales.</u>

- a. Identification Verification. Applicant shall require that all individuals seeking to purchase medical cannabis at the Premises show a valid current government-issued photo ID to an Applicant employee at the time of purchase. If the government-issued photo ID does not match the identity of the patient or caregiver purchasing the medical cannabis, or if a patient or caregiver fails to show a valid current government-issued photo ID, Applicant shall not sell medical cannabis to that patient or caregiver.
- b. Registration Verification. Prior to permitting their entry into the sales area of the Premises, Applicant shall require all patients and caregivers to present their valid current government-issued photo IDs and valid current medical cannabis registration cards. After that ID check, confirming the qualifying patient's or caregiver's eligibility to obtain medical cannabis, Applicant need not conduct an additional identification check.
- c. Reporting. Applicant shall report all attempts by unqualified persons to purchase medical cannabis illegally to ABCA and Metropolitan Police Department ('MPD').
- 5. <u>Identification Signage</u>. The Applicant shall post signage at the Premises which states that:

"No person will be sold medical cannabis who does not produce both: a valid registration card issued by the Board or valid out of state identification of documentation that they are a medical cannabis patient; and a valid government issued photo identification document displaying proof of age that matches the name on the registration card."

Applicant shall not sell medical cannabis to an individual who fails to provide both a valid current government-issued photo ID that includes the patient's date of birth and matches the name on a valid DC patient or caregiver registration card or matches documentation of a valid current registration as a medical cannabis patient in a jurisdiction other than DC.

6. <u>Deliveries</u>.

- a. Applicant shall implement a mechanism or process for qualifying patients and caregivers to submit copies of their patient registration and government-issued ID, for verification prior to delivery.
- b. Prior to delivery, Applicant shall ensure that its employees or, if it uses one, a third-party courier service:
 - (1) Delivers only to a registered patient or that patient's caregiver; and
 - (2) Checks the patient's or caregiver's medical cannabis registration card, compares it to Applicant's records, and ensures the information matches, in order to verify that the patient, or the patient and caregiver, are actively enrolled in DC's medical cannabis

- program, or that the patient is a registered medical cannabis patient in a jurisdiction other than DC; and
- (3) Verifies that the delivered amount does not cause the patient's total purchase to exceed the medical cannabis sale amount as set forth by law or applicable regulations.
- c. Applicant shall ensure that, before delivering medical cannabis to a patient or caregiver, its employees or, if it uses one, a third-party courier service, (1) checks the patient's or caregiver's valid current government-issued photo ID to verify that the individual accepting the delivery is the patient or caregiver that placed the order; (2) delivers medical cannabis only to the patient or caregiver who ordered the medical cannabis; (3) confirms that the patient or caregiver receiving the delivery is physically present at the residence or commercial building where the delivery is taking place; and (4) delivers only to a building in DC where DC law permits delivery of medical cannabis. For purposes of this subsection, "physically present at the residence" includes the residence's porch, driveway, or yard, but does not include any place outside the residence's property line, such as the sidewalk or curb.
- d. Applicant shall record each delivery in the METRC delivery manifest system in real-time.
- 7. <u>Security Plan, Access Control, and Prohibited Activities</u>. Applicant shall develop, file with ABCA, and follow a security plan to control access to the Premises and its limited-access areas. The security plan shall include procedures that cover the following conditions:
 - a. Qualifying-Patient Verification. A process for verifying qualifying patients as set forth in Sections 4 through 6 above.
 - b. Entry of Minors. Applicant shall prohibit entry to those under the age of 18 who cannot prove they are a registered qualifying patient and accompanied by a parent, guardian, or caregiver. Applicant shall post a sign at the Premises, stating that "Persons under the age of 18 are prohibited from entering the premises unless they are qualifying patients accompanied by a parent, guardian, or caregiver."
 - c. No On-Premises Tobacco, or Alcohol Consumption. Applicant shall not, at any time, permit anyone to consume tobacco products, or alcohol on the Premises.
 - d. Endorsements and Odor Control. Applicant has applied for an educational tasting endorsement which allows Applicant to offer patients and caregivers educational classes and demonstrations at the Premises, including how to utilize cannabis paraphernalia, how to cook foods with medical cannabis and other medical cannabis preparation techniques. Applicant has also applied for a safe-use treatment facility endorsement, which permits qualifying patients over the age of 21 to consume cannabis in the area of the Premises that is designated as the safe-use treatment facility. Applicant shall take reasonable measures, such as installing an air filtration system, in accordance with DC law to contain odors or smoke originating from the safe-use treatment facility. Applicant shall not seek a summer garden endorsement at the Premises

- e. Notice and Enforcement of Ban on On-Premises or Public Consumption. Applicant shall discourage all persons, including qualifying patients and caregivers, to consume medical cannabis products in any public space adjacent to the Premises . Applicant shall post the following signage at the Premises' entrance, : "Smoking, ingesting, or consuming medical cannabis on the premises or in public is strictly prohibited." During its hours of operations, Applicant shall periodically check the security camera footage to monitor for cannabis consumption. If Applicant witnesses, either in person or via security camera footage, a violation of this prohibition by a qualifying patient, parent, guardian, or caregiver, the Applicant, to the extent permitted by law, shall take reasonable steps to prevent the qualifying patient or the patient's parent, guardian, or caregiver from entering the Premises.
- f. Loitering and the Use of Illegal Drugs. Applicant shall discourage loitering inside or immediately outside the Premises. Applicant shall use reasonable efforts to monitor and prevent the sale or use of illegal substances inside or near the Premises, and cooperate with ABCA, the MPD, and other DC agencies investigating suspected illegal activities. Applicant shall also take reasonable steps to ensure that customers do not block the sidewalk in front of the Premises.
- g. No Live Entertainment & Noise Mitigation. Applicant shall not provide live entertainment within the Premises, shall not install speakers on the exterior of the Premises, and shall not play music or emit sound or noise audible beyond the Premises' entrance except when individuals are entering or exiting the Premises.
- h. Security Camera and Video Monitoring. Applicant shall install security cameras of sufficient video quality to clearly monitor activity immediately outside all entrances into the Premises, Applicant shall store video footage from these cameras for at least seven (7) days and, on request, provide access to that footage to MPD, ABCA, and other DC agencies.
- i. Signage and Advertising. Applicant shall not display signage or advertising on the exterior of the Premises that indicates there is medical cannabis on the Premises. Applicant shall not display advertising or signage on the exterior of the Premises that relates to the prices of medical cannabis. Further, Applicant shall comply with all ABCA regulations related to signage and advertising.
- 8. <u>Public-Space Maintenance and Trash Management</u>. This section covers disposal of cannabis products and byproducts, trash, garbage, recyclables, and the sanitary maintenance of public space.
 - a. Public-Space Maintenance. Applicant shall regularly inspect and clean the area between the width of the Premises' storefront and the street, and keep that area free of trash, garbage, ice, snow, smoking materials, and other debris.
 - b. Indoor Trash and Waste Storage. Applicant shall store, inside the Premises, all trash, garbage, recyclables, cannabis waste, cannabis byproducts, and all other waste, and shall not use any exterior space for this purpose. However, on days scheduled for waste

collection, Applicant may transfer waste to rodent-resistant receptacles outside the Premises. Applicant shall not bring cannabis waste outside of the Premises and shall relinquish medical cannabis waste to the MPD, or other ABCA designee, for destruction or disposal.

- c. Trash and Waste Collection. Applicant shall contract with one or more waste-management and recycling vendors to collect all recyclable and non-recyclable waste a minimum of 1 day per week, more frequently if necessary to prevent garbage, trash, or recycling receptacles from exceeding their capacity. Applicant's contract with any waste-management vendor shall limit collection to between 9:00 a.m. and 8:00 p.m.
- d. Waste Spills. Using industry practices such as solvents and power washing, Applicant shall pick up or hose down any garbage, recycling, or other waste spills remaining, after waste collection.
- e. Pest-Control Contract. Applicant shall enter into and maintain a contract for a regular plan of pest control, including baiting or similar rodent-abatement measures. Upon request from the ABCA Board, Applicant shall provide proof of its rat and vermin-control contract.
- f. Rodent-Resistant Receptacles. Applicant shall use and maintain, in good repair and in safe and sanitary condition, rodent-resistant garbage, trash, and recycling receptacles with tight-fitting lids, with sufficient capacity to store all trash, garbage, recyclables, and other waste. Applicant shall promptly replace any garbage, trash, and recycling receptacles sufficiently damaged so they are no longer rodent-resistant.

9. <u>Deliveries and Parking</u>.

- a. At the Premises. Applicant shall encourage vendors, staff, qualifying patients and their parents, guardians, and caregivers to access the Premises by foot, rail, bus, or bicycle. Applicant shall encourage all vendors who drive to park in designated commercial loading zones and to make deliveries through the front entrance of the Premises on Pennsylvania Avenue, SE. Applicant shall advise employees, vendors and qualifying patients that parking in the designated bus lane on Pennsylvania Avenue, even temporarily, is strictly prohibited. Additionally, Applicant shall inform staff, vendors, patients, parents, guardians, and caregivers that repeated violation may be grounds for the Applicant to terminate their commercial or professional relationship.
- b. Deliveries. Applicant shall require anyone making deliveries on Applicant's behalf to abide by DC parking regulations and shall prohibit the parking of delivery vehicles in any manner vehicle traffic lanes, dedicated bicycle lanes, or bus lanes.
- 10. <u>Notice to Cure</u>. If ANC 6B considers Applicant in breach of this Agreement, before ANC 6B seeks intervention by another DC government entity, and unless the breach is of an emergency nature or a repetition of a prior breach, ANC 6B shall give Applicant at least 10 calendar days' notice and opportunity to cure any alleged violations.

If to Applicant:

Malik Blakney, Owner & Operator % Meredith Kinner mkinner@kinnermcgowan.com

If Applicant refuses or fails to begin or pursue a cure during those 10 days, such refusal or failure shall constitute cause for ANC 6B to file a complaint with ABCA, to request a formal ABCA investigation, or to take other actions allowed by the ABC Board. If a breach reasonably requires more than 10 days to cure, Applicant shall notify ANC 6B with a timeline for commencing the cure and addressing the breach.

If to ANC 6B:

Chair of ANC 6B at <u>6b@anc.dc.gov</u>; and, Chair of ANC 6B's Alcoholic Beverage and Cannabis (ABC) Committee

- 11. <u>Entire Agreement</u>. This Agreement replaces, in full, any previous agreements between Applicant and ANC 6B.
- 12. <u>Changes to Agreement</u>. This Agreement may only be modified by written agreement of all the Parties or their successors.
- 13. <u>Counterpart and Facsimile Signature</u>. This Agreement may be executed in two or more counterparts which together shall constitute a single agreement. Execution of this Agreement may be made by any electronically transmitted signature, which shall constitute an original signature.
- 14. <u>Access to Agreement</u>. Applicant shall make copies of this Agreement available at the Premises at all times and shall ensure that its employees and couriers understand the terms of this Agreement.

IN WITNESS WHEREOF, the parties have affixed hereunto their signatures.

FOR THE APPLICANT:

By: Malik Blakney, Owner

Bud Love LLC t/a Bud Love (ABCA-128413)

FOR ANC 6B:

9-12-202

By: Lawara Kyaer

Title: Chairperson, ANC 6B

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By: Meredith Kinner (mkinner@kinnermcgowan.com)

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