

SETTLEMENT AGREEMENT

Effective November 22, 2023 (the “Effective Date”), the State of Maine Department of Administrative and Financial Services (“DAFS” or “the Department”) and Licensee, The Hashery (AMF462 and AMF1309), (collectively, “the Parties”) enter into this Settlement Agreement (the “Agreement”).

The Licensee, The Hashery owns two adult use cannabis manufacturing establishments. The Hashery is a corporation 90% owned by Margaret Anne Terry.

On September 12, 2023, Elisa C. Ellis, Esq., Director of Licensing, Office of Cannabis Policy (“OCP”), DAFS, issued a Notice of Fines and Revocation of Adult Use Cannabis Products Manufacturing Facility Licenses concerning the licenses AMF462 and AMF1309 pursuant to the Cannabis Legalization Act, 28-B M.R.S. §§ 101-1102 (the “CLA”), and Maine Adult Use Cannabis Program Rules, 18-691 C.M.R. Ch. 1 (the “AUCPR”).

These actions are subject to an administrative hearing pursuant to 28-B M.R.S. §801 and in accordance with the Maine Administrative Procedure Act, 5 M.R.S. §§ 9051-9064, and then potentially to judicial review pursuant to 5 M.R.S. §§ 11001-11002 and M.R. Civ. P. 80C, and the Licensee timely requested an administrative hearing.

NOW THEREFORE, as the Parties wish to settle this matter in consideration of the mutual promises set forth herein, rather than continue the hearing and appeals process, the Parties agree as follows:

1. On April 14, 2023 a Stock Transfer and Shareholder Agreement was executed for The Hashery transferring half of the company’s stock from Ms. Terry to two other individuals—Nova Dawn Grosz and Donald Allen Johnson. In addition, Ms. Grosz and Mr. Allen were added as principals along with a third new principal, Joanne Mattiace. These changes were made without an Application to Transfer Ownership Interests which must be approved by DAFS before such changes take place. Upon notification by the above-referenced letter, The Hashery worked to correct the situation. Mr. Johnson was removed as an owner, and he and Ms. Mattiace were removed as principals. This left Ms. Terry with 90% ownership and Ms. Grosz with 10% ownership, with both owners as principals. As a result, DAFS rescinds its

revocation of The Hashery's licenses—AMF462 and AMF1309. The Hashery agrees it will not make changes in ownership or principals in the future without prior approval by DAFS.

2. The total monetary penalty to be paid by the Licensee is \$22,500.00. The settlement payment shall be paid to DAFS as follows: the full amount is due April 1, 2024. Failure to pay by the stated deadline may result in suspension and/or denial of renewal of these licenses.
3. This Agreement sets forth the entire agreement of the Parties in relation to the conduct described above and in the letter of September 12, 2023, and any amendment hereof shall be in writing. Representations that are not contained in the Agreement or subsequent written amendment shall have no effect.
4. The Parties agree that once this agreement is signed an administrative hearing on the Notice of Administrative Action is no longer necessary.
5. The Parties acknowledge that this Agreement and its reduction to final written form is the result of good faith negotiations between the Parties. The Parties and their respective counsel (if applicable) have carefully reviewed and examined this Agreement before execution by said Parties. Any statute or rule of construction that requires ambiguities to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
6. This Agreement shall be governed by the laws of the State of Maine.
7. The Parties agree that this Agreement is binding upon, and inures to the benefit of, the Parties and their successors and assigns.
8. The signatory for DAFS, Elisa C. Ellis, represents that she is duly authorized and empowered to execute this Agreement on behalf of DAFS, and that her signature is enough to legally bind DAFS to the terms of this Agreement.
9. The signatory for the Licensee, The Hashery, represents that she is duly authorized and empowered to execute this Agreement on behalf of Licensee and that her signature is enough to legally bind Licensee to the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorized representative of DAFS, and Margaret Anne Terry, have signed this Agreement below:

THE HASHERY



Date: 11/22/2023_
By its Majority Owner, Margaret Anne Terry

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



By Elisa C. Ellis, Director of Licensing,
Office of Cannabis Policy

Date: 11/30/2023