

## SETTLEMENT AGREEMENT

Effective July <sup>21</sup> \_\_, 2023 (the "Effective Date"), the State of Maine Department of Administrative and Financial Services ("DAFS" or "the Department") and Licensee, NPG, LLC (AMF330, AMF333, ACC334, AMS335, AMS338, AMS339 and AMS1130), (collectively, "the Parties") enter into this Settlement Agreement (the "Agreement").

The Licensee, NPG, LLC, owns seven adult use cannabis establishments. NPG, LLC is owned by High Street Capital Partners, LLC, the sole member/owner, and is a manager-managed LLC. Ronald A. MacDonald is currently the only manager of NPG, LLC.

On April 14, 2023, Elisa C. Ellis, Esq., Director of Licensing, Office of Cannabis Policy ("OCP"), DAFS, issued several letters concerning the licenses owned by NPG, LLC. These included two denial of license renewal letters regarding AMS 1130 and AMS 335, and two letters regarding fines for the same two licenses. Ms. Ellis also issued 5 letters regarding notices of fines and revocation of licenses for each of AMF330, AMF333, ACC334, AMS338, and AMS339 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").

The two Notices of Denial of Renewal of License(s) have become moot since NPG, LLC has reorganized in a way acceptable to OCP. Seven of 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 could timely request 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 January 2, 2023, NPG, LLC changed from a manager-managed LLC

with three named managers to a member-managed LLC with no named managers without prior approval of an Application to Transfer Ownership Interests. Upon notification by the above-referenced letters, NPG, LLC immediately changed back to a manager-managed LLC with a named manager and agreed it would use this plan for the foreseeable future. NPG, LLC agrees that it will not make any changes to its corporate documents without pre-approval from OCP going forward. Therefore, the Department agrees to consider this activity minor and accept a settlement payment of \$15,000.00 per each of the seven licenses. The Department notes the Denial of License Renewal letters for AMS 1130 and AMS 335 are moot and that both licenses have now been renewed. The Department also rescinds the notices of revocation regarding AMF330, AMF333, ACC334, AMS338, and AMS339.

2. NPG, LLC by way of the January 2, 2023 change in management structure explicitly allowed High Street Capital Partners, LLC to manage NPG, LLC. It is the Department's position that the officers of High Street Capital Partners, LLC were required to obtain individual identification cards before this change in management structure could occur. Upon receipt of the above-referenced letters and notice of the Department's position that NPG, LLC had violated the CLA and the AUCPR, NPG, LLC immediately changed back to a manager-managed LLC. The Department therefore agrees that the payment of \$15,000 per license agreed to in the preceding paragraph is inclusive of the proposed fines for this activity, alleged as minor.
3. The total settlement payment to be paid by the Licensee is \$105,000.00. The settlement payment shall be paid to DAFS as follows: the full amount is due August 15, 2023. Failure to pay by the stated deadlines may result in suspension and/or denial of renewal of these licenses.
4. This Agreement sets forth the entire agreement of the Parties in relation to the conduct described above and in the letters of April, 14, 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.

5. The Parties agree that once this agreement is signed an administrative hearing on the Notice of Administrative Action is no longer necessary.
6. 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.
7. This Agreement shall be governed by the laws of the State of Maine.
8. The Parties agree that this Agreement is binding upon, and inures to the benefit of, the Parties and their successors and assigns.
9. 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.
10. The signatory for the Licensee, Ronald A. MacDonald, represents that he is duly authorized and empowered to execute this Agreement on behalf of Licensee and that his signature is enough to legally bind Licensee to the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorized representative of DAFS, and Ronald A. MacDonald, have signed this Agreement below:

NPG, LLC

DocuSigned by:  
Ron MacDonald  
FCAD42FEC49B49A

By its Manager, Ronald A. MacDonald

Date: 7/21/2023

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

Elisa C. Ellis

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

Date: 7/24/2023