

**AMENDMENT TO SETTLEMENT AGREEMENT
EXECUTED MARCH 19, 2021 BETWEEN DEPARTMENT OF ADMINISTRATIVE
AND FINANCIAL SERVICES, SEAWEED CO, AND SEASMOKE EXTRACTS, INC.**

The State of Maine Department of Administrative and Financial Services, SeaWeed Co., and SeaSmoke Extracts, Inc. (collectively "the Parties") hereby agree to amend the previously-signed Settlement Agreement, dated March 19, 2021, by and between the Parties as follows:

- Exhibit B: Exhibit B is hereby wholly replaced by new Exhibit C, attached hereto. This amendment reflects updates to Seaweed's marketing and packaging material and ensures that the Settlement Agreement accurately depicts imagery used in Seaweed's labeling and marketing of marijuana and marijuana products.
- Paragraph 9: Paragraph 9 is amended to read

Notwithstanding Paragraph 8, SeaWeed Co. may continue to sell Consumption Merchandise featuring the Mermaid image pursuant up to and until July 19, 2021. After the stated wind-down period terminates on July 19, 2021, any Consumption Merchandise that does not comply with the terms of Paragraph 8 above shall be removed from customer-facing web interfaces and retail store fronts, and no longer sold unless the noncompliant imagery is removed or mitigated before it is made available for sale in accordance with the October 23, 2020 Mitigation Plan implemented by Licensees and approved by DAFS, a copy of which is attached hereto as Exhibit B-C.

These amendments becomes effective once all parties have signed below. This amendment may be signed in counterparts.

Date: 7/20/21

By: Scott Howard
Seaweed Co.
By Scott Howard
Its Owner

Date: 7/20/21

By: Scott Howard
SeaSmoke Extracts, Inc.

By Scott Howard
Its Owner

Date: 3/9/2022

By: 
Erik Gundersen, Director, OMP, DAFS

Marketing Layer Packaging Compliance

Will be required to be packed in opaque child resistant exit packaging

Tamper evident seal w/ perforation

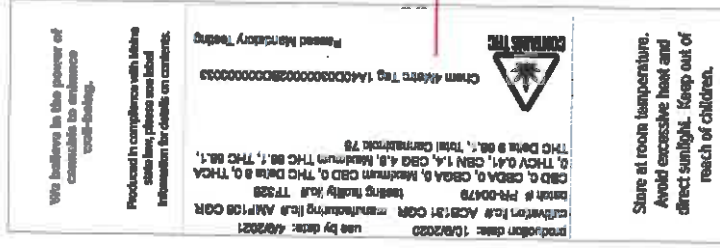
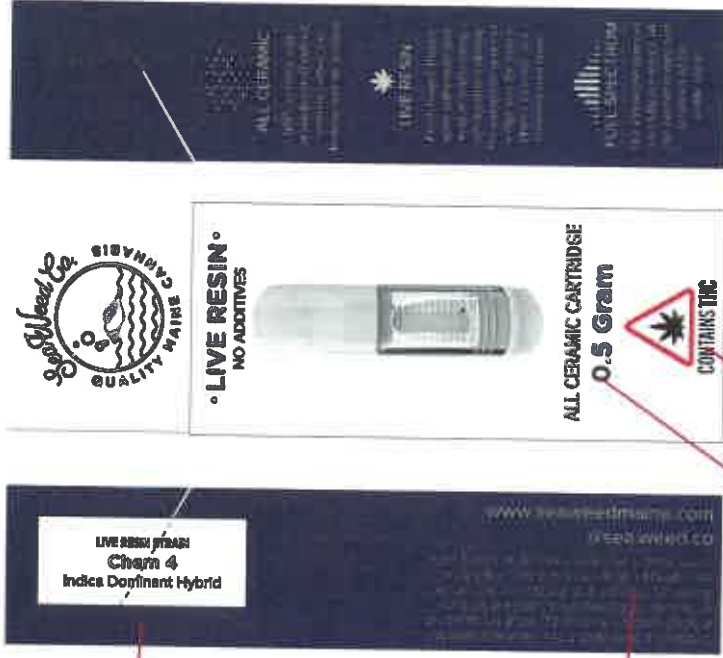
Health risk warning in 6pt font.

Net. weight of marijuana product

Universal Symbol .5 x .5 inches

Manufacture label

CURRENT PACKAGING



Marketing Layer Packaging Compliance

Will be required to be packed in opaque child resistant exit packaging

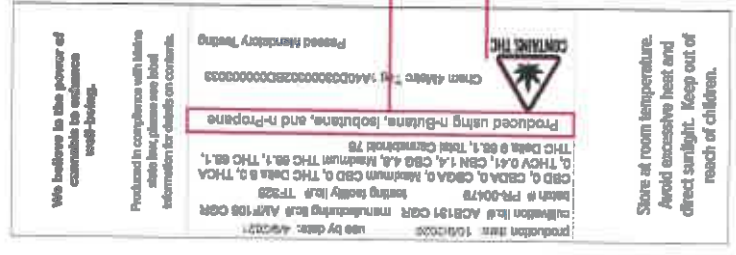
Tamper evident seal w/ perforation

Health risk warning in 6pt font.

Net. weight of marijuana product

Universal Symbol .5 x .5 inches

TEMPORARY UPDATE



Additional sticker about solvents used

Manufacture label

Marketing Layer Packaging Compliance

Will be required to be packed in opaque child resistant exit packaging

Tamper evident seal w/ perforation

Will have conch emblem

Health risk warning in 6pt font.

Net. weight of marijuana product

Universal Symbol .5 x .5 inches

LONG TERM UPDATE



Manufacture label

Solvents used printed directly on packaging

Marketing Layer Packaging Compliance

CURRENT PACKAGING



Marketing Layer Packaging Compliance

TEMPORARY UPDATE



NON MERMAID STICKER

Additional sticker about solvents used

Marketing Layer Packaging Compliance

LONG TERM UPDATE



Solvents used printed directly on packaging

Packaging Layer Compliance for 3.5 gram Flower

LONG TERM UPDATE

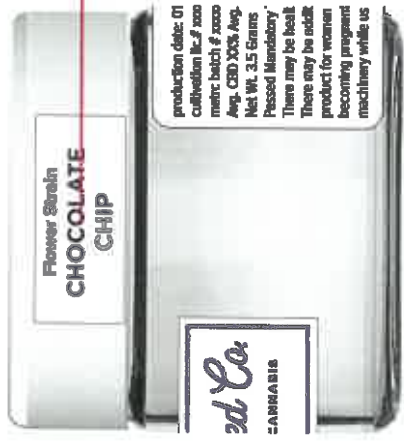
Will be required to be packed in opaque child resistant exit packaging



tamper evident seal

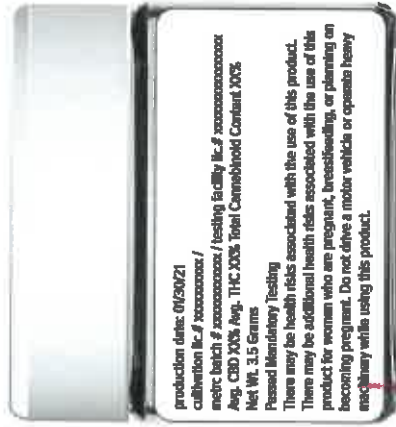
palm and turn child resistant cap

TOP



strain label

RIGHT SIDE



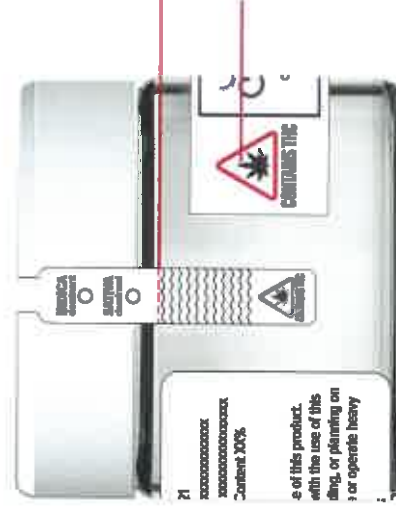
manufacturer's label

BACK



Universal Symbol

FRONT



tamper evident seal
.5 x .5 in universal symbol

LEFT SIDE

SETTLEMENT AGREEMENT

Effective this 19th day of March 2021 (the “Effective Date”), the State of Maine Department of Administrative and Financial Services (“DAFS”) and Licensees SeaWeed Co. (AMS 135), and SeaSmoke Extracts, Inc. (AMF 108) (with DAFS, collectively, the “Parties”) enter into this Settlement Agreement (the “Agreement”).

The Licensees are SeaWeed Co., an adult use marijuana store, and owner of the trademarked mermaid logo at issue, a depiction of which is attached hereto as **Exhibit A**, and SeaSmoke Extracts Inc., an adult use marijuana manufacturing facility, (collectively, “the Licensees”). The Licensees are owned by Scott Howard, and he is the sole director of the Licensees.

On December 15, 2020, Vernon Malloch, Compliance Director, Office of Marijuana Policy, DAFS, issued Notices of Administrative Action to the Licensees concerning certain alleged licensing violations and administrative enforcement actions, including the imposition of monetary penalties, which DAFS was taking with respect to the Licensees pursuant to the Maine Legalization Act, 28-B M.R.S. §§ 101-1102 (the “MLA”), and Maine Adult Use Marijuana Program Rules, 18-691 C.M.R. ch. 1 (the “AUMPR”).

This matter is 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 Licensees have timely requested an administrative hearing in the matter, which is currently scheduled for April 7-8, 2021.

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. As of the Effective Date, the Licensees agree that they will not use any version of SeaWeed Co.’s trademarked mermaid image, including those depicted in **Exhibit A** (collectively the “Mermaid”), in the labeling or packaging of any marijuana or marijuana products, and SeaWeed Co. will not permit any other person licensed under the MLA to do so.
2. As of the Effective Date, SeaWeed Co. will permanently remove images of adult use marijuana and marijuana products featuring the Mermaid in the labeling and/or packaging of marijuana and marijuana products from its website and social media/customer-facing

internet platforms.

3. Licensees may use the Mermaid on any website it maintains or is maintained by others, including social media/customer-facing internet platforms such as Instagram, Facebook, Leafly, and WeedMaps, so long as any such website has an opaque gate restricting access to persons age 21 or over and any images of marijuana or marijuana products with the non-compliant Mermaid packaging and labeling are permanently removed from those website pages.
4. SeaWeed Co. may continue to display the neon Mermaid in the original SeaWeed Co. store located at 185 Running Hill Road, in South Portland, Maine.
5. SeaWeed Co. may use the Mermaid image on displays inside other licensed adult use marijuana stores, owned by itself or others, where access is limited to individuals 21 years of age or older, provided that the Mermaid logo (a) is not on any packaging or labeling of adult use marijuana or marijuana products; and (b) is not made in neon tubing.
6. With respect to products other than marijuana or marijuana products or merchandise/products used in consuming marijuana and marijuana products, such as clothing and water bottles (the “Non-Cannabis Merchandise”), SeaWeed Co. may continue to use the Mermaid image on Non-Cannabis Merchandise, provided that (a) the Non-Cannabis Merchandise does not contain marijuana or marijuana products, as those terms are defined under the MLA; and (b) the only image, script or text, if any, other than the Mermaid image itself permitted on Non-Cannabis Merchandise are the words “SeaWeed Co.”
7. Notwithstanding Paragraph 6, SeaWeed Co. may continue to sell Non-Cannabis Merchandise featuring the Mermaid image and containing images, script, or text other than that described in Paragraph 6(b) up to and until **July 19, 2021**. Any Non-Cannabis Merchandise that does not comply with the terms of Paragraph 6 above after the stated wind-down period terminates on **July 19, 2021** shall be removed from customer-facing web interfaces and retail store fronts and no longer sold.
8. With respect to merchandise/products other than marijuana and marijuana products or Non-Cannabis Merchandise, which are used in the consumption of marijuana and/or

marijuana products, such as pipes, grinders, vape batteries, and rolling papers, (the “Consumption Merchandise”), as of the Effective Date, the Licensees shall not use the Mermaid image on or in the labeling or packaging of the Consumption Merchandise, and SeaWeed Co. will not permit any other person licensed under the MLA to do so.

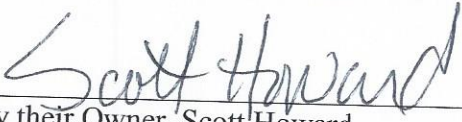
9. Notwithstanding Paragraph 8, SeaWeed Co. may continue to sell Consumption Merchandise featuring the Mermaid image pursuant up to and until **July 19, 2021**. After the stated wind-down period terminates on **July 19, 2021**, any Consumption Merchandise that does not comply with the terms of Paragraph 8 above shall be removed from customer-facing web interfaces and retail store fronts, and no longer sold unless the noncompliant imagery is removed or mitigated before it is made available for sale in accordance with the October 23, 2020 Mitigation Plan implemented by Licensees and approved by DAFS, a copy of which is attached hereto as **Exhibit B**.
10. Based on the above, DAFS agrees to decrease the fine imposed against SeaWeed Co. to **\$5,000.00. The fine shall be paid to DAFS within fourteen (14) calendar days of the Effective Date.**
11. The Licensees quickly and adequately addressed the violations regarding labeling for solvents used in concentrate and inclusion of a statement that packaged content had passed mandatory testing. Therefore, DAFS agrees to waive the \$2,500.00 monetary penalty imposed against SeaSmoke Extracts, Inc.
12. DAFS agrees not to consider the violations identified in the Notices of Administrative Action dated December 15, 2020 in reaching any future licensing decision issued pursuant to the MLA or AUMPR with respect to these Licensees.
13. With regard to Licensees’ use of the Mermaid image in the labeling and packaging of products produced and manufactured by SeaSmoke Extracts, Inc. and sold in SeaWeed Co.’s retail store(s) on or before the Effective Date of this Agreement, DAFS agrees not to take further enforcement action against Licensees pursuant to the MLA or AUMPR. Except for the activity described in the previous sentence, this provision is not intended to limit DAFS’s enforcement authority with regard to alleged violations occurring after the issuance of the December 15, 2020 Notices of Administrative Action or limit either party from enforcing the terms of this Agreement.

14. The Licensees and Mr. Howard agree not to bring a constitutional challenge in state or federal court regarding the labeling, packaging, advertising, and marketing provisions of the MLA or AUMPR with regard to the Licensees' use of the Mermaid image prior to the Effective Date. This provision does not prevent the Licensees or Mr. Howard from presenting all defenses and challenges, including constitutional challenges, to any enforcement action brought by DAFS against the Licensees for alleged violations occurring after December 15, 2020.
15. DAFS reserves the right to take any action, not otherwise prohibited by this Agreement, against the Licensees or Mr. Howard that is permitted by law including, but not limited to, those pursuant to the MLA or AUMPR (including packaging, labeling, advertising, and marketing infractions), as they may be amended from time to time.
16. This Agreement sets forth the entire agreement of the Parties, and any amendment hereof shall be in writing. Representations that are not contained in the Agreement or subsequent written amendment shall have no effect.
17. **Within two (2) business days of the Effective Date**, Licensees agree to withdraw their appeal of the Notices of Administrative Action and request for an administrative hearing.
18. 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 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.
19. The Parties agree that, if there are changes to the MLA and/or AUMPR concerning the labeling, packaging, and/or advertising of marijuana, marijuana products, and/or marijuana establishments in a manner that expressly or implicitly permits the use of imagery consistent with the Mermaid image in the labeling, packaging, and/or advertising of marijuana, marijuana products, and/or marijuana establishments, the Parties shall immediately confer to consider whether the prohibition on Licensees' use of the Mermaid image, as well as this Agreement, should be amended.
20. This Agreement shall be governed by the laws of the State of Maine.

21. The Parties agree that this Agreement is binding upon, and inures to the benefit of, the Parties and their successors and assigns.
22. The signatory for DAFS, Erik Gundersen, represents that he is duly authorized and empowered to execute this Agreement on behalf of DAFS, and that his signature is enough to legally bind DAFS to the terms of this Agreement.
23. The signatory for the Licensees, Scott Howard, represents that he is duly authorized and empowered to execute this Agreement on behalf of Licensees and that his signature is enough to legally bind Licensees to the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorized representative of DAFS, and Scott Howard, have signed this Agreement below:

SEAWEED CO. AND SEASMOKE EXTRACTS, INC.


By their Owner, Scott Howard

Date: 3/22/21

Erik Gundersen, Director, OMP, DAFS

Date: _____

21. The Parties agree that this Agreement is binding upon, and inures to the benefit of, the Parties and their successors and assigns.
22. The signatory for DAFS, Erik Gundersen, represents that he is duly authorized and empowered to execute this Agreement on behalf of DAFS, and that his signature is enough to legally bind DAFS to the terms of this Agreement.
23. The signatory for the Licensees, Scott Howard, represents that he is duly authorized and empowered to execute this Agreement on behalf of Licensees and that his signature is enough to legally bind Licensees to the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorized representative of DAFS, and Scott Howard, have signed this Agreement below:

SEA WEED CO. AND SEASMOKE EXTRACTS, INC.

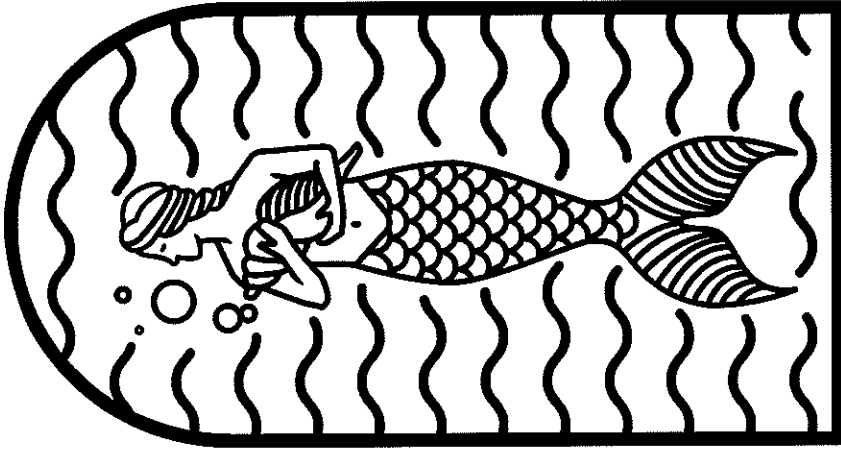
By their Owner, Scott Howard



Erik Gundersen, Director, OMP, DAFS

Date: _____

Date: 3/22/2021



SeaWeed Co.

VARY LOGOS



VARY LOGO VARIATIONS
by Maine Cannabis "regime can be replaced
205.



Marketing Layer Packaging Compliance

Will be required to be packed in opaque child resistant exit packaging

Tamper evident seal w/ perforation

Health risk warning in 6pt font.

Net. weight of marijuana product

Universal Symbol .5 x .5 inches

SeaWeed Co.

LIVE RESIN STRAIN
COOKIES, + CREAM
Indica Dominant Hybrid

www.seaweedmaine.com
@sea.weed.co

There may be health risks associated with the use of this product. There may be additional health risks associated with the use of this product for women who are pregnant, breastfeeding or planning on becoming pregnant. Do not drive a motor vehicle or operate heavy machinery while using this product.

LIVE RESIN
NO ADDITIVES

LIVE RESIN
Fresh flower, frozen upon cultivation and kept at subfreezing temperatures during the extraction process brings you the entire plant's essence in a concentrated resin.

ALL CERAMIC
100% ceramic cart, unrefined extract with no cotton, no leaking and no burning

ALL CERAMIC CARTRIDGE
0.5 Gram

CONTAINS THC

ALL CERAMIC
100% ceramic cart, unrefined extract with no cotton, no leaking and no burning

LIVE RESIN
Fresh flower, frozen upon cultivation and kept at subfreezing temperatures during the extraction process brings you the entire plant's essence in a concentrated resin.

FULL SPECTRUM
Our extraction process carefully preserves all the cannabinoids and terpenes of the whole plant.

Sundae Driver
LRCO

Cannabinoid Content 79.4%
CBD MAX 0% THC 6.15% D-9 THC 70.0% Total
Sfrimo batch: PRO043 cannabinoids: CBC .75% CBG 7.99%
Metric batch: # 1A40B030000028D0000000221 test lab: TF28
Cultivation lic.# ACB11 manufacturing lic.# AMF108
production date: 09/30/2020 use by date: 03/30/2021

We believe in the power of cannabis to enhance well-being.
Produced in compliance with Maine state law, please see label information for details on contents.

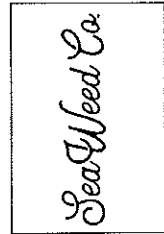
Store at room temperature. Avoid excessive heat and direct sunlight. Keep out of reach of children.

Manufacture label

Marketing Layer Packaging
Compliance

Will be required to be packed in
opaque child resistant exit packaging

NON MERMAID
STICKER



LIVE RESIN STRAIN
COOKIES + CREAM
Indica Dominant Hybrid

www.seaweedmaine.com
@sea.weed.co

There may be health risks associated with the use of this product. There may be additional health risks associated with the use of this product for women who are pregnant, breastfeeding, or planning on becoming pregnant. Do not drive a motor vehicle or operate heavy machinery while using this product.

Sea Weed Co. QUALITY MAINE CANNABIS

LIVE RESIN
NO ADDITIVES

ALL CERAMIC CARTRIDGE
0.5 Gram

CONTAINS THC

ALL CERAMIC
100% ceramic cart unduplicated extract with no cotton, no leaking and no burning.

LIVE RESIN
Fresh flower frozen upon cultivation and kept at subfreezing temperatures during the extraction process brings you the entire plant's essence in a concentrated resin.

FULL SPECTRUM
Our extraction process carefully preserves all the cannabinoids and terpenes of the whole plant.

We believe in the power of cannabis to enhance well-being.

Produced in compliance with Maine state law, please see label information for details on contents.

production date: 09/30/2020 use by date: 03/30/2021
cultivation lic.# ACB131 manufacturing lic.# AMF108
Metric batch # 1A40D030000028D00000000022 Test lab: TF328
Strimo batch: PRO0433 cannabinoids: CBC 7.51% CBG 7.99%
CBD MAX 0% THCV .615% D-9 THC 70.0% THC MAX 70.0% Total
Cannabinoid Content 79.4%

Sundae Driver
LRCO

Store at room temperature. Avoid excessive heat and direct sunlight. Keep out of reach of children.

Tamper evident
seal w/ perforation

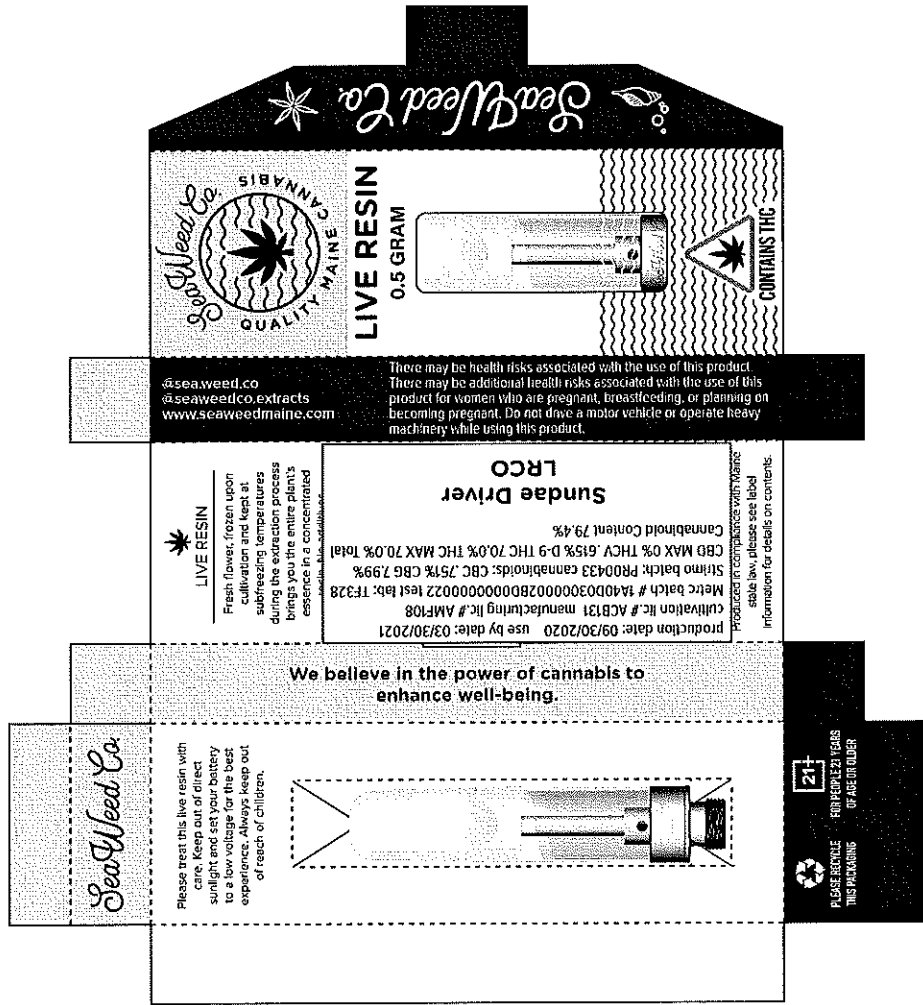
White Pen Marker

Health risk warning
in 6pt font.

Net. weight of
marijuana product

Universal
Symbol .5 x .5
inches

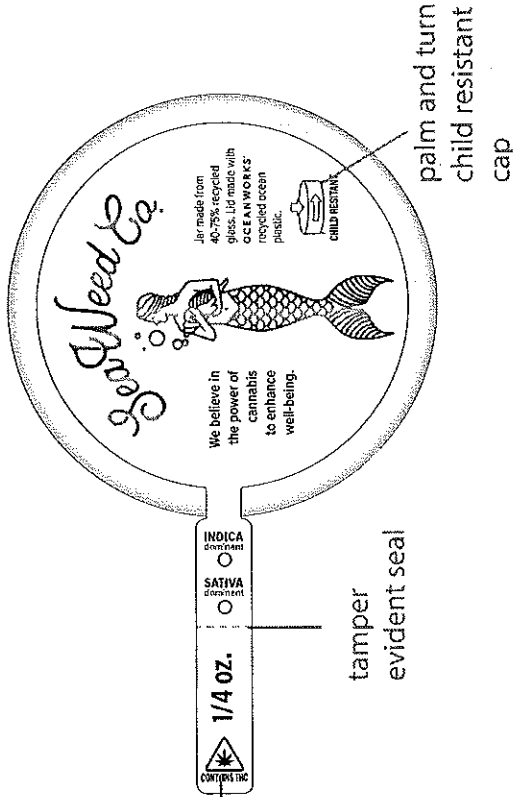
Manufacture label



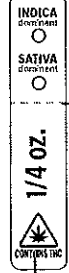
Packaging Layer Compliance

Will be required to be packed in opaque child resistant exit packaging

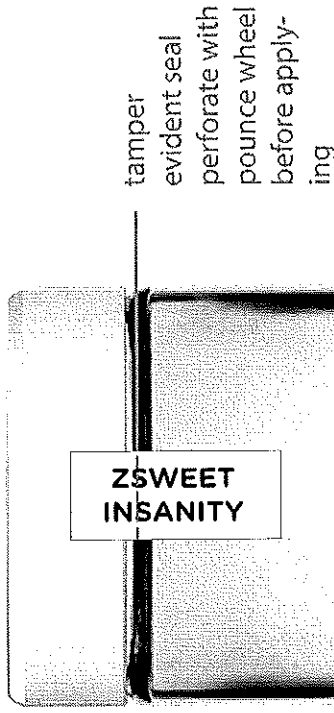
TOP



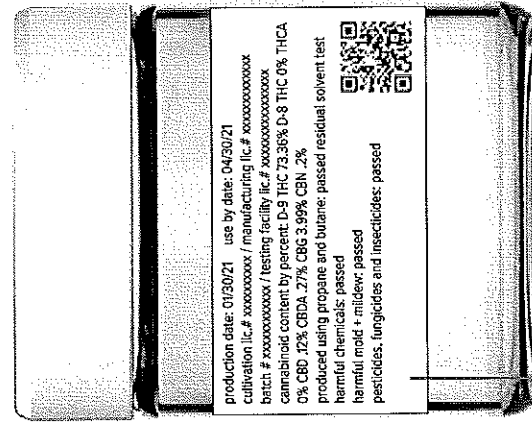
.25x.25in universal symbol



tamper evident seal

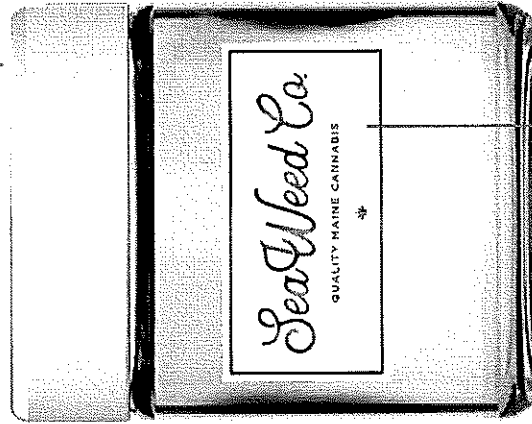


RIGHT SIDE



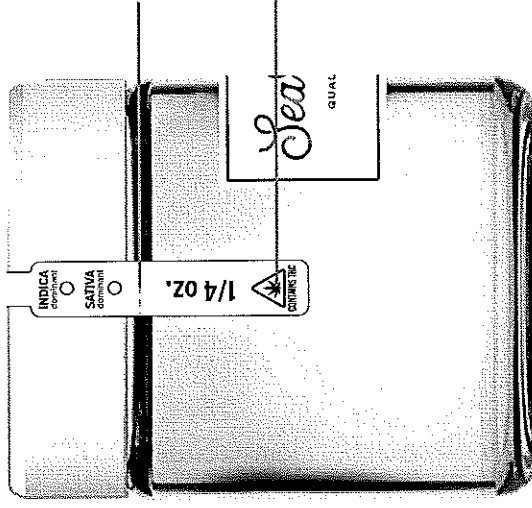
BACK

manufacturers label



FRONT

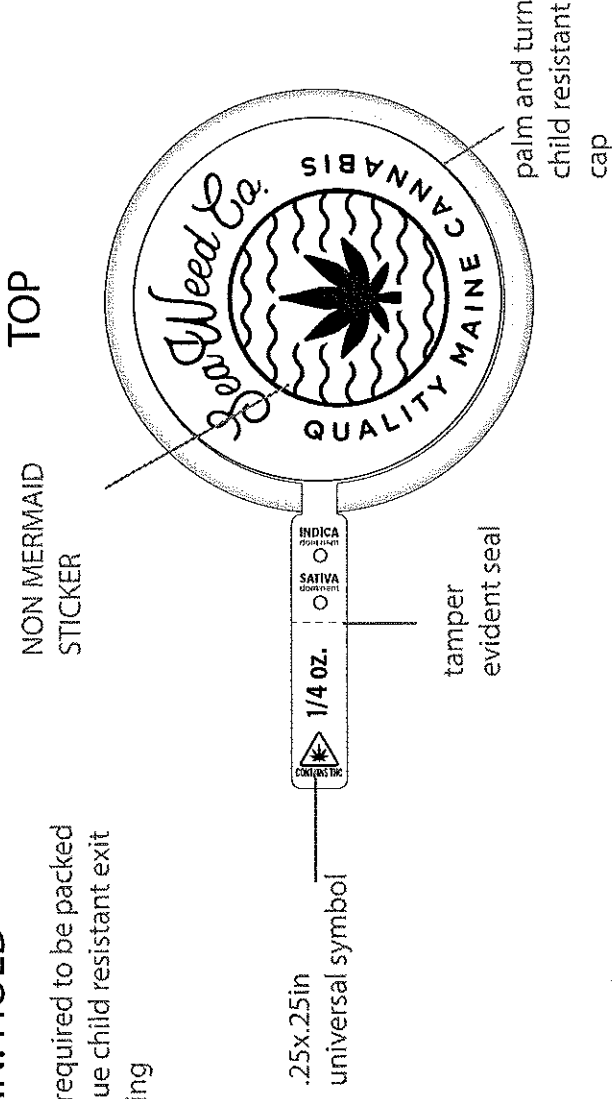
apply the label centered between the parting lines in the glass



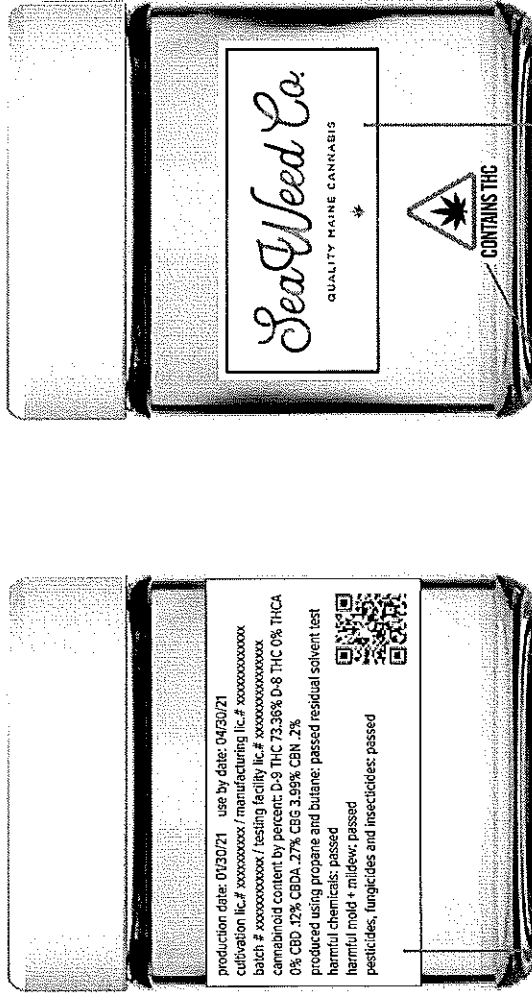
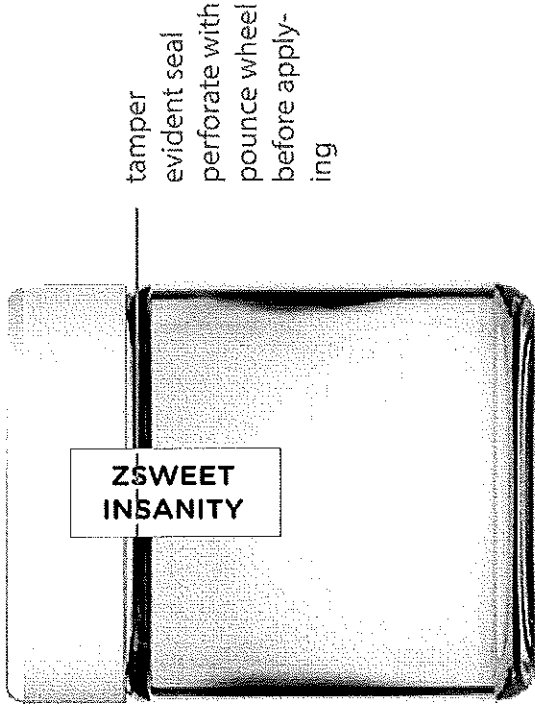
LEFT SIDE

TEMP. UPDATE TO AVOID ADMIN. HOLD

Will be required to be packed
in opaque child resistant exit
packaging

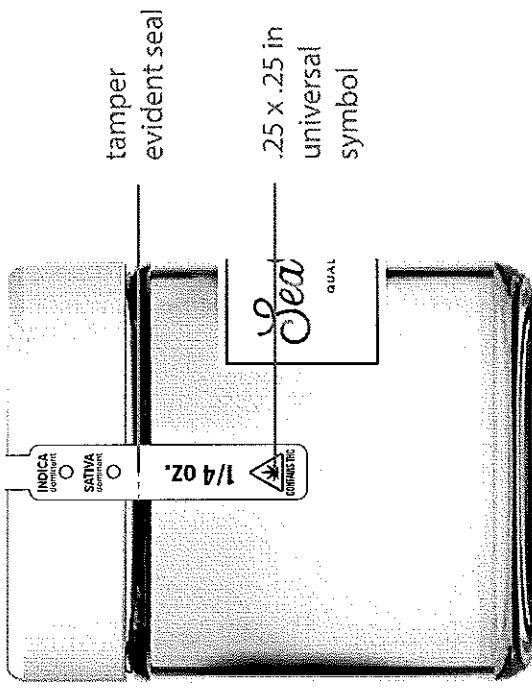


RIGHT SIDE

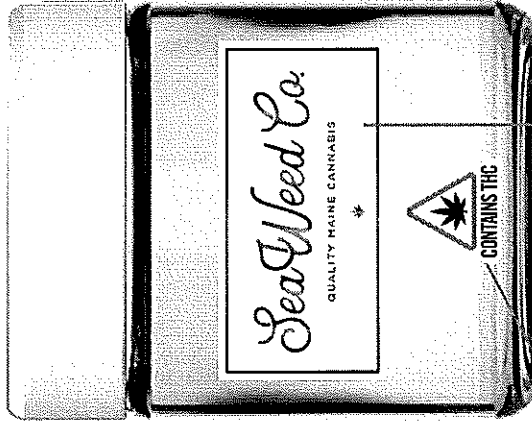


BACK

manufacturers
label



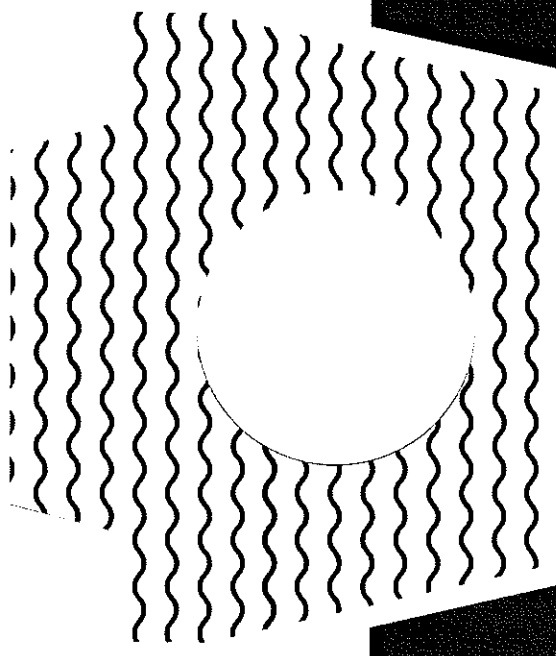
LEFT SIDE



FRONT

apply the label centered
between the parting lines
in the glass

Marketing Layer Packaging Compliance



We believe in the power of cannabis to enhance well-being.

1 GRAM
CANNABIS CONCENTRATE



Marketing Layer Packaging
 Compliance UPDATE TO
 AVOID ADMIN. HOLD

