

**NEW LEAF SERVICE, LLC  
MASTER CONTRACT SERVICES AGREEMENT  
AMENDMENT**

New Leaf Services, LLC, (formerly 6858 Services, LLC), a Washington limited liability company and New Leaf Enterprises, Inc., a Washington corporation enter into this amendment (the "Amendment") as of 10/11/2019, 2019.

WHEREAS, New Leaf Services, LLC (formerly 6858, Services LLC) and New Leaf Enterprises, Inc. have entered into the following listed Agreement:

- i) Master Contract Services Agreement, dated August 21, 2019

WHEREAS, New Leaf Services, LLC (formerly 6858, Services LLC) and New Leaf Enterprises, Inc. have agreed to amend the Agreement as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

**AMENDMENTS**

1. EFFECTIVE DATE. The Agreement is amended to establish the Effective Date of the Agreement as being October 1, 2019.

2. NAME CHANGE.

The Agreement is amended by substituting the name "New Leaf Services, LLC" for the name "6858 Services, LLC" whenever it appears.

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound, have caused this Agreement to be executed as of the date first above written.

**New Leaf Enterprises, Inc.**

By: "Robert D. Colwell"  
Robert D. Colwell, President

By: "Boris Gorodnitsky"  
Boris Gorodnitsky, Vice President

**New Leaf Services, LLC**

By: "Robert D. Colwell"  
Robert D. Colwell, Manager

By: "Boris Gorodnitsky"  
Boris Gorodnitsky, Vice President

# MASTER CONTRACT SERVICES AGREEMENT

This **MASTER CONTRACT SERVICES AGREEMENT** (“**Agreement**”) is made and entered into as of 8/21/2019, 2019 (“**Effective Date**”), by and between:

6858 Services, LLC., a Washington state limited liability company, including any designee which is a permitted assignee under the terms set forth in this Agreement (collectively or severally, “**Service Provider**”), and

New Leaf Enterprises, Inc., a Washington corporation and/or its successors and/or assigns “**Company**” or “**Licensee**”) and

## RECITALS

**WHEREAS**, Licensee is the holder of Retail Marijuana License #412070 and a Marijuana Infused Edibles Processor endorsement (together the “**License**”), issued by Washington State Liquor and Cannabis Board (“**WSLCB**”); and

**WHEREAS**, the Service Provider can provide the Company expertise and experience in the production, processing, sales, marketing of marijuana and marijuana products and staffing, operations, and business administration as further defined in Schedule 1, attached to this Agreement (the “**Services**”); and

**WHEREAS**, it is the desire of the Licensee to retain Service Provider to provide said Services for the Licensee in accordance with the provisions of this Agreement,

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and conditions contained herein, and for other good and valuable consideration, the parties agree as follows:

## AGREEMENT

1. **Management and Control.** Management and control of the business shall remain at all times with the Licensee. Service Provider understands and agrees that Licensee and

Company are contracting with Service Provider solely for the purpose of providing certain defined business Services as provided in Exhibit A (attached hereto and incorporated by reference) for a fixed flat monthly fee.

2. **Term of Agreement.** This Agreement shall be for a term of six (6) months from the Effective Date as set forth above. This agreement shall automatically renew for up to four (4) additional six (6) month renewal terms unless sooner terminated, as provided herein.

3. **Termination.** This Agreement shall terminate upon the occurrence of any of the following:

- a. For cause by Company upon an Event of Default (as defined in below) by the Service Provider;
- b. For cause by Service Provider upon an Event of Default (as defined in below) by the Company;
- c. The declaration by any order, notice of violation, ruling, or decree from any regulatory authority, including the WSLCB or any court of competent jurisdiction, that this Agreement violates WSLCB rules; or
- d. The issuance by any court or governmental agency or commission of a final determination that restricts either party's ability to perform any services or obligations as contemplated herein.

4. **Event of Default.** The following, after the expiration of the applicable cure periods specified below, shall constitute events of default (each an “**Event of Default**”) under this Agreement:

- a. Company's failure to pay Service Provider within five days of the date due any amount required hereunder;

b. A material breach by either party in the observance or performance of any covenant, condition, obligation or agreement contained herein;

c. The filing by or against either party of any lawful petition for any relief under the bankruptcy laws of the United States now or hereafter in effect or under any insolvency, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity);

d. The termination of the business of either party.

An Event of Default shall be deemed to have occurred after defaulting party has received written notice from the non-defaulting party specifying the event that, if not timely cured, would constitute an Event of Default, and such event remains uncured for a period of thirty (30) days after such notice.

The parties agree, however, that the Licensee may terminate this Agreement immediately if there is a final determination in the form of a binding ruling of a court or government regulatory agency that continuation of this Agreement and/or the provision of any Service(s) by the Service Provider under this Agreement violates WSLCB rules or could be construed as the exercise of management or control of the Licensee's business by Service Provider.

**5. Compensation.** Company agrees to pay Service Provider a non-refundable monthly fixed fee ("**Services Fee**") for the provision of Services as provided and defined in Exhibit A attached hereto. Payment of the fixed Services Fee shall be made on the fifth (5<sup>th</sup>) day of each month.

The Services Fee is a payment of fees for a given month for access to the Services described in Schedule 1, where fees for access to said Services in each month expire at the end of each month and represent a minimum charge for each month payable to Services Provider. Company is not entitled to a refund of any portion of the Services Fee in each month, and must pay a new

Services Fee in full at the beginning of each month throughout the term of the Agreement.

## **6. Service Provider Obligations.**

a. The Service Provider shall provide only those Services identified in Schedule 1;

b. The Service Provider shall follow Licensee's direction and requirements with respect to the provision of Services;

c. The Service Provider may not increase or expand the scope of Services provided except at the direction of the Licensee;

d. Any Service Provider employee(s) providing Services on or at the Licensed Premises may only do so if approved by and under the terms and conditions set by the Licensee;

e. The Service Provider may not contract, subcontract or bind the Licensee into any other form or type of obligation for the Licensee; and

f. The Service Provider must comply with all laws, rules and regulations of the State of Washington and the WSLCB and all local ordinances and regulations.

**7. Employees of Service Provider.** Service Provider represents that all of its directors, officers and employees are 21 years of age or older and shall not engage in any conduct or activity that would preclude or prohibit them from entering or providing Services in or at the licensed premises, if so required.

**8. Service Provider Insurance.** The Service Provider will maintain a liability insurance policy or policies, properly amended or endorsed to name Licensee as an additional insured party. Such policy must be first reviewed and accepted by Licensee and may consist of a combination of primary coverage of [insurance amount redacted] and excess or umbrella coverage on following form of [insurance amount redacted]. All rights of subrogation against Licensee shall be waived and an endorsement to

any policy requiring same shall be provided to confirm such waiver by the underwriter.

9. **Waiver of Breach.** No waiver of any breach of this Agreement shall be a waiver of any other breach, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.

10. **Force Majeure.** Except for any obligation to pay the Service Fee or any other payments under this Agreement, to the extent that either party's performance is prevented or delayed, either totally or in part, for reasons beyond that party's control, then that party will not be liable, so long as it resumes performance as soon as practicable after the reason preventing or delaying performance no longer exists.

11. **Applicable law; Alternative Dispute Resolution.** The terms of this Agreement will be governed by the laws of the State of Washington, without giving effect to its conflict of law provisions. Disputes relating to this Agreement or any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

12. **Severability.** If any portion of this Agreement is determined to be unlawful by the WSLCB or by any court of competent jurisdiction, the balance of this Agreement shall remain in full force and effect, unless it would cause this Agreement to be ineffective for the intended purposes, in which case this Agreement shall terminate. The parties agree, however, that any requirement imposed by the WSLCB in order to bring this Agreement into compliance shall automatically become and remain a part of this Agreement.

13. **No Partnership or Joint Venture.** Nothing herein contained shall constitute a partnership between or joint venture by the parties hereto or constitute any party the agent of the others. Nothing in this Agreement shall be deemed to create any right on the part of any person or entity not a party to this Agreement.

14. **Assignment.** This Agreement may not be assigned without the written consent of both parties, and any assignment without such consent shall be void

15. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the Effective Date first above written.

SERVICE PROVIDER:

6858 Services, LLC.

By: "Robert D. Colwell"  
Robert Colwell, Manager

By: "Boris Gorodnitsky"  
Boris Gorodnitsky, Vice President

COMPANY:

New Leaf Enterprises, Inc.

By: "Robert D. Colwell"  
Robert Colwell, President

By: "Boris Gorodnitsky"  
Boris Gorodnitsky, Vice President

**SCHEDULE 1**  
**Provided Services and Fees**

All services to be provided at the direction of / approved by Licensee

| <b>Services</b>  | <b>Service Fee / Period</b> |
|--|-----------------------------|
| <p><b>Staffing and Human Resources Services</b></p> <p>Provide Recruiting Hiring and Placement Services to Licensee</p> <p>Conduct Background Checks as Directed by Company / Licensee</p> <p>Consult with Licensee on Employee Reviews and Ratings</p> <p>Provide Training Materials and Classes for Supervisors as required</p>  |                             |
| <p><b>Budgeting, Bookkeeping and Payroll Services</b></p> <p>Provide Payroll Processing Service to Company</p> <p>Make General Ledger and Journal Entries</p> <p>Provide Balance Sheet and Income Statement to Company/Licensee</p> <p>Work with Company/Licensee on Budgeting and Forecasting</p> <p>Provide Bank and Credit Card Statement Reconciliation Services</p> <p>Work with Company/Licensee on Federal, State and Local Tax Reporting</p> |                             |
| <p><b>Human Resources Services</b></p> <p>Design Employee Benefits Program for implementation by Company/Licensee</p> <p>Employee Performance and Retention</p>  |                             |

|   |                            |
|---|----------------------------|
| <p>Provide Employee Training Materials and Classes as approved by Company/Licensee</p> <p>Provide Employee Handbook as approved by Company/Licensee</p> <p>Employee Safety and Liability Training Materials and Classes as approved by Company/Licensee</p>   |                            |
| <p><b>Advertising, Marketing and Promotion</b></p> <p>Provide Print and Digital Advertising Strategy as approved by Company/Licensee</p> <p>Provide Print and Digital Advertising Design as approved by Company/Licensee</p> <p>Consult on Print and Digital Advertising Placement to be approved by Company/Licensee</p> <p>Consult with Owner on Implementation of Customer Engagement and Retention Strategy</p> |                            |
| <p><b>IT and Technology Resources</b></p> <p>Assist Company/Licensee in Selecting, Setting-up and Maintaining IT and Technology System and Equipment</p>  |                            |
| <p><b>Total Monthly Service Fee</b></p>   | <p>\$251,000 per month</p> |

Exhibit A

Benefits Waiver for Assigned Employees

Agreement and Waiver

In consideration of my placement and assignment to \_\_\_\_\_ (the "Client") by 6858 Services LLC:

I understand and agree that at all times I am working at the facility of the Client I will be under the management and control of the managers and officers of the business and that the performance of my assigned work duties will be solely at the direction of the managers and officers of the of the business.

I further understand and agree that I am not eligible for or entitled to participate in or make any claim upon any benefit plan, policy, or practice offered by the Client, its parents, affiliates, subsidiaries, or successors to any of their direct employees, regardless of the length of my assignment to the Client by 6858 Services LLC and regardless of whether I am held to be a common-law employee of the Client for any purpose

With full knowledge and understanding, I hereby expressly waive any claim or right that I may have, now or in the future, to such benefits and agree not to make any claim for such benefits.

ASSIGNED EMPLOYEE

\_\_\_\_\_

Date

\_\_\_\_\_

Print Name: \_\_\_\_\_