

# **EXHIBIT M**

NY Retail 1, Inc.  
63 Wall St. Unit 2604  
New York, NY 10005

QUBE USA, LLC.  
Quine Liddell  
George Vlamis  
OCMCAURD- OCM-CAURD-2022-000539  
Manhattan  
[georgevlamis@icloud.com](mailto:georgevlamis@icloud.com)  
1 (845) 417-1781

**Re: Memorandum of Understanding Regarding Equity Investment in QUBE USA Inc.**

Dear QUBE USA Inc.

I hereby submit this Memorandum of Understanding (“MOU”) whereby NY Retail 1 Inc. or its assignee will purchase Forty Nine percent (49%) of your business QUBE USA Inc.. the (“Original CAURD Holder”), the current license holder of a New York State Conditional Adult-Use Retail Dispensary license (the “Company”) to: (i) capitalize the Company’s build out (“Capex”) and the operationalization (“Opex”) of (a) an adult use cannabis delivery business in or around Manhattan, NY (the “Manhattan Delivery Business”), (b) a retail store located at 1412 Broadway, Manhattan, NY (the “Dispensary”; the Manhattan Delivery Business and the Dispensary are collectively referred to herein as the “Manhattan Operation”); and (ii) assist in the decision-making process with respect to the build out of the Manhattan Operation, (iii) consult with respect to staffing, management, and operations of the Manhattan Operations.

The deal between the Company, on the one hand, and NEWCO, on the other hand, is referred to herein as the “Transaction.”

**QUBE USA, LLC. - Dispensary License** the Company owns a 100% interest in a Conditional Adult Use Retail Dispensary License issued by the Office of Cannabis Management (“OCM” bearing license number OCM-CAURD-2022-000539

1. **Company formation**- Either A new LLC will be formed which will be owned 51% by QUBE USA, LLC. and 49% by NY Retail 1, Inc or Its assignee or If new entity is not formed than NY Retail or its assignee will acquire 49% of QUBE USA, LLC upon following terms and conditions. (Holder members; 30% Quine Liddell; 21% George Vlamis; Arish Halani 49%) Under the Amended and Restated Operating Agreement of the Company, the Board of Managers will be comprised of a four-person Board which is anticipated to be: (i) two (2) designees of Original CAURD Holder and (ii) two (2) designees of NEWCO (the “NEWCO Managers”).
2. **Purchase Price** – NY Retail 1, Inc. will pay five thousand dollars (\$50,000) cash into the buyer's attorney escrow upon execution of the definitive agreement and four hundred fifty thousand for construction/security deposit and first moths rent in exchange for forty-nine percent ownership in QUBE USA, LLC or new LLC. All profits of the company will first be used to repay the \$1,000,0000 investment by NY Retail 1, Inc. or its assignee before any distribution to share holder/member of the company. This agreement is subject to the execution of an acceptable amended lease by NEWCO. Security deposit funds will be released upon execution of the amendment and construction funds will be released upon approval of OCM and Manhattan building department to begin construction. If the parties are unable to execute a final deal, escrow agent to return 45k to NEWCO and keep 5k for their time and efforts to close the MO deal.
3. **Funding** - Escrow will be released Upon OCM and City approval to begin construction. New LLC or QUBE USA, LLC. will purchase all assets including but not limited to OCM, Security, Inventory, etc for the construction and operation of the dispensary. The monies invested by NEWCO shall be deposited into a joint account to be established by the Parties to fund the Capex and Opex of the Manhattan Operation (the “Joint Account”). Any disbursements from the Joint Account over \$7,500 must be signed by one party designated by the Company and one party designated by NEWCO. Also, \$50K of which will go to CAURD license holders due upon OCM approval of NEWCO and its members as

equity owners of the Company as an advance distribution in good faith.

4. Further Capital Contribution – NEWCO shall make additional capital contributions to fund the operations of the Company in the event the (i) the members mutually agree or (ii) the Company is unable to satisfy its liabilities coming due within thirty (30) days. Any capital contributions made by NEWCO after the Dispensary is operational shall be considered a loan (“Loans”). Loans shall be repaid to NEWCO by the Company from the operating revenues after payment of all other operating expenses. For the avoidance of doubt, Loans shall be repaid to NEWCO prior to any distributions to the members of the Company with interest of 3% above prime rate.
5. Operational Input – Ny Retail 1 Inc., or assignee to run day-to-day operations of the business. Entity will earn 5% gross revenue to manage for the lease term plus any extension. Year 1 will remain at 5%. Fee will be assessed every 3 months using an annualized number as follows.
  - A. Up to 10 million per year 5%.
  - B. \$10-15M per year-4.5%
  - C. \$16-20M per year-4%
  - D. \$21-25M- per year3.5%,
  - E. Over \$26 per year – 3%
6. Distributions of Available Cash- Shall be made quarterly to each of the members as set forth above. The members shall be entitled to tax distributions (to the extent of Available Cash) with respect to their membership interests that shall be applied to each member’s distributions. The Company shall pay any distribution taxes that may be incurred by the members.
  - A. Once the Manhattan Operation (“MO”) is open and operating, net profits (that is, proceeds from revenue and investments left over after the payment of overhead, management, labor, fees, taxes, debts, expenses, and the like (including reasonable to-be-agreed-upon salaries that are industry averages for similarly situated start-up cannabis retail and delivery businesses) will be accumulated in a separate account. As soon as and each time that those net profits, referred to as “Available Cash,” equal \$200K, MO will make distributions of such Available Cash as follows:
    - FIRST, 80% to the Preferred Investors until such time that the Preferred Investors’ distribution equals their invested capital, and 20% distribution to the original CAURD license members
    - Second, 100% to pro rata to all of the Equity members of MO.
7. Approvals – QUBE USA Inc. to Provide documentation on all approvals and communication with OCM to NY Retail 1 Inc. to ensure that the OCM approves QUBE USA, LLC. to construct and begin retail cannabis sales in the state of NY. QUBE USA Inc. to cooperate under the terms of this agreement on any new application process that is established by the OCM.
8. Termination Option – NY Retail 1, Inc. has the right to terminate the agreement and have escrow funds released if OCM does not grant all necessary approvals to construct, open with the current license; or if NY Retail 1, Inc. has to re-apply to OCM with applicant and does not gain the necessary approvals to open a retail cannabis store in the state of NY. Halani has an option to work with QUBE USA, LLC. for up to 24 months with an option to terminate at any time.
9. Mutual Indemnity- QUBE USA and NY Retail 1, Inc., agrees to provide mutual indemnity as an Individuals and as a stakeholders will be held harmless by each other and indemnify each other to the fullest extent of the law. This includes, but is not limited to, a party to any action, suit, or proceeding, by reason of the fact of being a testator or intestate representative, is or was a Director, Officer, Agent, or Employee of the Corporation. Both parties agree their respective ownerships and are authorized to make this deal amongst parties.
10. Minority Protections- Unless otherwise prohibited by New York law, in addition to any other vote or

approval required under the Company's Amended and Restated Operating Agreement, as may be further amended from time to time, the Company will not, and shall prohibit any subsidiary thereof to, without the vote of both the NEWCO Managers, do any of the following:

- A. liquidate, dissolve or wind up its affairs, or effect any merger or consolidation or any other liquidity/liquidation event;
- B. amend, alter, or repeal any provision of the its Amended Operating Agreement or Certificate of Formation;
- C. create or authorize the creation of or issue any unit or other security or security convertible into or exercisable for any unit or other equity security, having rights or privileges senior to or on parity with the units;
- D. authorize the issuance of any additional units of the same class as the Units issues to the Original CAURD Holder, NEWCO, including units under the employee incentive plan;
- E. purchase or redeem or pay any distribution dividend on any capital stock, other than units repurchased from former employees or consultants in connection with the cessation of their employment/services, at the lower of fair market value or cost;
- F. incur any debt if its aggregate indebtedness would exceed \$[15,000], or guarantee any debt of another person or entity;
- G. instituting or settling any lawsuits, claims, counterclaims or legal proceedings;
- H. make any loan or advance to any person or entity, including, any employee or director;
- I. make any investment inconsistent with any investment policy approved by the Board of Managers;
- J. enter into or be a party to any transaction (or modify or amend any transaction) with any affiliate, director, officer or employee of the Company or any "associate" of any such person;
- K. materially change the compensation of any of the Company's executives, including approving any equity grants;
- L. change the principal business of the Company, enter new lines of business, or exit the current line of business;
- M. sell, assign, license, pledge or encumber material property or assets of the Company, other than sales of products in the ordinary course of business;
- N. enter into any corporate strategic relationship involving the payment contribution or assignment by it or to it of assets greater than \$25K;
- O. create or hold capital stock in any subsidiary that is not at least 51% owned by it or dispose of any subsidiary stock or any subsidiary assets; or
- P. increase or decrease the size of the Company's Board of Directors.

The above protections will be subject to standard exceptions and carve-outs.

11. Limitation on Transfer- The Original CAURD Holder will not sell, or otherwise dispose of his membership interests in the Company to any independent third party, whether by merger, consolidation, sale, transfer, assignment, pledge, encumbrance or other disposition.
12. Due Diligence Period- The Due Diligence period will begin when this Term Sheet is fully executed and will end five (5) calendar days after that date.
13. Due Diligence Materials- The Parties will make all reasonable requested due diligence materials available to the other party including making its executives, founders, employees, vendors, etc., available for meetings and phone calls at reasonable times and upon reasonable notice as part of the Due Diligence process

14. EXCLUSIVITY; NO SHOP; CONFIDENTIALITY- The Parties agree to work in good faith and expeditiously toward negotiation of definitive Transaction Documents. the Company agrees that they will not, for a period of five (5) days from the date these terms are accepted (the “Exclusivity Period”), take any action to solicit, initiate, encourage, respond to or assist the submission of any proposal, negotiation or offer from any person or entity other than NEWCO relating to (i) the sale or issuance, of any of the capital stock or membership interests of the Company, (ii) the acquisition, sale, lease, license or other disposition of the Company or any material part of the stock or assets of thereof, (iii) any proposed partnership, management agreement or similar arraignment, or joint venture with the Company, or (iv) any proposed financing or management of the Company.

This “No Shop” provision covers any affiliate or subsidiary of the Company that has been or, during the Exclusivity Period, will be created to engage in marijuana activities in or around Manhattan.

The Company shall notify NEWCO promptly of any inquiries by any third parties in regard to the foregoing.

Neither the Company, its members, officers, or principals on the one hand, nor NEWCO, its members, officers, or principals the other hand, will disclose the terms of this Term Sheet to any person other than its accountants, consultants, attorneys, and other such advisors with a need to know to consummate the Transaction.

15. CHOICE OF LAW; JURISDICTION; ARBITRATION- This Term Sheet will be governed by the laws of the State of New York.

Any dispute, claim or controversy arising out of or relating to this Term Sheet or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Term Sheet to arbitrate, shall be determined by arbitration in New York City before one arbitrator who is selected and agreed upon by both Parties. The arbitration shall be administered by JAMS, or its successor, pursuant to its Comprehensive Arbitration Rules and Procedures, or any other JAMS rules or procedures applicable at the time. The arbitrator shall, in its award, allocate all of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. The award in the arbitration shall be final and binding. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1-16, and the judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The Parties agree and consent to personal jurisdiction, service of process and venue in any federal or state court within the New York City in connection with any action brought to enforce an award in arbitration. The Parties hereby waive trial by jury in any action or proceeding involving, directly or indirectly, any matter in any way arising out of or in connection with this Term Sheet.

16. Expenses: Company will cover the expense of drafting the operating agreement according to this term sheet and pay up to \$5K for legal fees. Any further independent review will be covered by the respective individuals.

17. Binding- All terms within this contract are binding. Terms to be further defined within definitive documents to be prepared upon OCM approval to begin construction or before. Exhibit A provides further deal terms to be reflected in the operating agreement that will govern the company owned by all members which will take ownership of the license on hand.

If you are in agreement with the terms of this MOU, please sign below and return to my attention.

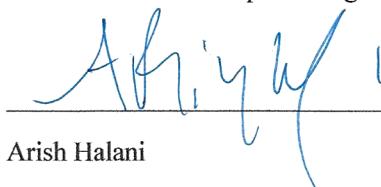
Exhibit A:

- No forced capital calls upon the original CAURD holder or NEWCO members until 1MM USD in distributions have been paid out from the MO to both parties.
- No forced equity dilutions upon the original CAURD holder

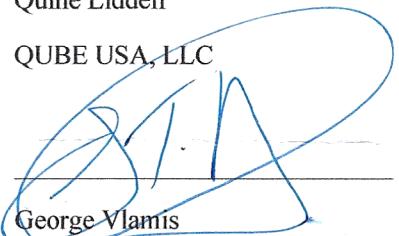
members or NEWCO.

- Original CAURD holders and NEWCO will have meaningful input of the brand erection and rights to all brand assets created by the company.
- Original CAURD holders will have an option to work at the MO for market rate salaries for any position all parties agree they are qualified to fill.
- Equity, distributions, ownership rights and all and any protections in place to secure the rights of all parties will not be altered after the conditional period of the CAURD license is over.
- NEWCO and CAURD will consider to budget 25-50k of the budget for a grand opening GALA to be held at the rooftop venue of 1412 Broadway to introduce QUBE and New York's top cannabis brands to Manhattan.
- All ownership, equity, and member controls required by the NYS cannabis laws regarding CAURD will always remain compliant in the operating agreement and no side agreements shall exist between any parties.
- The company will only issue class A shares with voting rights to all founding members, and no other class of shares shall be created without a unanimous vote.
- NEWCO is aware of the current NDA signed by QUBE USA LLC and understands that no confidential information was shared with QUBE, also that the operator did not fulfill any obligations of funding/ site acquisition. ny risks of association and states this MO deal is not contingent on further legal review.
- All parites agree a new entity will be formed to hold the license and QUBE USA LLC will be dissolved upon such milestone of the OCM accepting such change.
- All parties agree the initial budget does not include making the lower level of the proposed dispensary operational to the public, only operational to MO employees with all compliant aspects needed to pass OCM inspection and become operational.
- Store Branding will be mutually decided amongst parties.

We look forward to partnering with you.

  
Arish Halani  
NY Retail 1 Inc.

12-18-23

  
Quine Liddell  
without Probandice  
QUBE USA, LLC  
  
George Vlamis  
QUBE USA, LLC

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