

**FAVO Capital Inc.**

**A Nevada Corporation**  
**1025 Old Country Road, Suite 421E**  
**Westbury, NY 11590**  
**1.833.328.6477**  
[www.favocapital.com](http://www.favocapital.com)  
[info@favocapital.com](mailto:info@favocapital.com)

**SUPPLEMENTAL INFORMATION**

DATE: May 31, 2023

MATERIAL EVENTS: Increase in Authorized Preferred Stock; Creation of Series A Preferred Stock; Material Agreement – Master Acquisition Financing Agreement; Material Agreement – Membership Interest Purchase Agreements.

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**FORWARD LOOKING STATEMENTS**

The statements contained in this Supplemental Report that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursuant," "target," "continue," and similar expressions are intended to identify such forward-looking statements. The statements in this press release that are not historical statements, including statements regarding FAVO Capital's plans, objectives, future opportunities for FAVO Capital's services, future financial performance and operating results and any other statements regarding FAVO Capital's future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts, are forward-looking statements within the meaning of the federal securities laws. These statements are not guarantees of future performance and are subject to numerous risks, uncertainties, and assumptions, many of which are beyond FAVO Capital's control, and which could cause actual results to differ materially from the results expressed or implied by the statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict, and include, without limitation, results of litigation, settlements and investigations; actions by third parties, including governmental agencies; volatility in customer spending; global economic conditions; ability to hire and retain personnel; loss of, or reduction in business, with key customers; difficulty with growth and integration of acquisitions; product liability; cybersecurity risk; and, anti-takeover measures in our charter documents. Any forward-looking statement is made only as of the date of which such statement is made. Except as otherwise required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

**APPOINTMENTS**

The Board has voted to appoint Bilal Adam, CEO and Glen Steward, Chairman of Stewards Investment Capital Limited to the Advisory Board of FAVO Capital, Inc. for a contract period of 3 years. The Board has also appointed The Doney Law Firm out of Las Vegas, Nevada as the company's corporate and legal counsel.

## **INCREASE IN AUTHORIZED PREFERRED STOCK**

On June 1, 2023, FAVO Capital, Inc. (the “Company”) filed with the Secretary of State of the State of Nevada a Certificate of Amendment to the Articles of Incorporation to increase the authorized shares of Preferred Stock of the Company (the “Amendment”). The Amendment increased the authorized shares of Preferred Stock the Company may issue from 25,000,000 shares to 50,000,000 shares of Preferred Stock, par value \$0.0001 per share. The Amendment did not increase the Company’s authorized shares of Common Stock, which remains at 500,000,000 shares, par value \$0.0001 per share.

The Amendment was approved by the board of directors by unanimous written consent resolution dated May 31, 2023 signed by all the members of the board of directors. The Amendment was also approved by certain shareholders of the Company holding a majority of the total issued and outstanding voting shares of the Company by written consent resolution dated May 31, 2023.

## **CREATION OF SERIES A PREFERRED STOCK**

On May 31, 2023, pursuant to Article III of our Articles of Incorporation, our Board of Directors voted to designate a class of preferred stock entitled Series A Preferred Stock, consisting of up to 20,000,000 shares, par value \$0.0001. Under the Certificate of Designation, filed on June 5, 2023, holders of Series A Preferred Stock are entitled to a liquidation preference of \$0.25 per share, the Stated Value of the newly created preferred stock, over our common stock and Series C Preferred Stock in the event of a dissolution, liquidation or winding up of the company. The holders of Series A Preferred Stock vote together with the holders of Common Stock and any other class or series of stock entitled to vote thereon as a single class on an as converted basis. Each holder shall be entitled to receive an annual dividend of six percent (6%) of the Stated Value times the number of Preferred Shares held by such holder payable on a quarterly basis beginning at the end of the Company’s fiscal quarter following the original issue date. Dividends on the Preferred Shares are payable, at the Company's option, in (a) cash or (b) shares of the Company's Common Stock or a combination thereof. The Company may, in its sole discretion, elect to redeem all or a portion of the outstanding Preferred Shares at the Redemption Amount. As used herein, the term “Redemption Amount” shall equal the Stated Value. If the Company does not redeem all of the outstanding Preferred Shares, but instead opts for a partial redemption, it must be done in at least \$250,000 increments and for every \$250,000 redeemed the Company will issue to the Holder a warrant to purchase 1,000,000 shares of the Company’s Common Stock at an exercise price of \$0.25 share.

## **SERIES C PREFERRED STOCK CONVERSION RIGHTS**

On May 31, 2023, pursuant to Certificate of Designation for the Series C Preferred Stock, Mr. Vincent Napolitano converted 6,250,000 Series C Preferred shares into 25,000,000 common shares at par value \$0.00001 of FAVO Capital Inc. Thereafter, the company and Mr. Napolitano consented to file an amended Certificate of Designation for the Series C Preferred Stock to change the conversion ratio on the remainder of his Series C Preferred shares from 4 to 1 to a 1 to 1 conversion. The Series C Preferred shares will retain their voting rights of 25 to 1. Once the amended designation and share conversion has been affected, the shares will be transferred into FAVO holdings, LLC an holding company owned by Vincent Napolitano and Shaun Quin.

## **MASTER ACQUISITION FINANCING AGREEMENT**

These are the material and fundamental extracts from the original Master Acquisition Financing Agreement, all other information is not made public due to the forward-looking statements, rollout plans and future goals and targets of the company. Based on an Independent Valuation of the Group of Companies by Stewards Investment Capital Limited on behalf of their client, the Master Acquisition Financing Agreement and following the Purchase and Sale Agreements where executed. **Exhibit A - Valuation**

### ***The Acquisition Agreements***

1. Under separate Acquisition Agreements styled as Membership Interest Purchase Agreements dated concurrently with this Agreement and described more fully below, Shaun Quin and Vincent Napolitano (the “Principals”) will transfer the Principals' interests and other owners they represent in the transaction to the Company in the FAVO Group immediately after the Closing so that each company of the FAVO Group becomes a wholly owned subsidiary of the Company as of the Closing date (hereinafter referred to as, the “Transfer”).
2. As consideration for the Transfer, the Company will pay the purchase price as outlined below for the FAVO Group of an aggregate of approximately \$37,000,000, which includes \$14,200,000 in cash and “Senior Secured Notes,” along with the assumption of debt estimated at approximately \$22,800,000 and the repayment of debt notes to FAVO Holdings and FAVO Group respectfully for a total of \$500,000. The Transfer is a related party transaction as Messrs. Napolitano and Quin are equity owners of the Favo Group and they are also our shareholders, officers and directors. Notwithstanding, we believe the transaction represents an arm’s length transaction because a third party valued the Favo Group. This valuation was determined by the independent third-party valuator, contracted by the Investor prior to being appointed to the advisory board. This valuation was presented to the parties to the Acquisition Agreements, and they have agreed to the terms of the sale in such agreements, as detailed below.
  - \$4,500,000 in cash to the Principals of FAVO Group, LLC.
  - \$5,000,000 in shares of common stock in the Company at \$0.25 per share to FAVO Holdings, LLC.
  - \$4,700,000 in Senior Secured Notes with terms as follows:
    - \$1,500,000 – maturity 12 months from Closing – 1.0% interest paid quarterly.
    - \$1,600,000 – maturity 24 months from closing – 3.0% interest paid quarterly.
    - \$1,600,000 – maturity 36 months at 6% interest – 6.0% interest paid quarterly.

### ***The Financing***

3. The Company will raise the Financing by selling 20 million of its \$0.0001 par value Series A Preferred Stock at \$0.25 per share (the “Company Preferred Shares”) to the Investor, as designated and approved by the board of directors of the Company with the features of such Company Preferred Shares in described above.
4. The Financing will come in three (3) tranches, as follows:
  - (1) \$2,500,000 on Closing.
  - (2) \$1,250,000 in 90 calendar days from Closing.
  - (3) \$1,250,000 in 180 calendar days from Closing.

### ***Governing the Consolidated Entities***

5. The Principals will stay on as the sole members of the board of directors and executives of the Company and will remain as part of the management team running the day-to-day operations of the FAVO Group, as subsidiaries of the Company. Both will sign a 5-year agreement with the Company, to be determined by the parties, to remain with the Company. Total compensation will remain the same as of the date of this Agreement, with all entities combined.

6. The Company will appoint two principals of Stewards Investment Capital to join the advisory board of the Company under a 3-year term. For their service as advisory board members, they will receive a combined:
- 15,000,000 shares of common stock of the Company. Notwithstanding anything to the contrary in this Agreement, if the Investor fails to make any of the three tranche payments under the Financing, the shares will be clawed back to the Company pro rata to the amount represented by the lack of payment.
  - \$20,000.00 (twenty thousand) per month in remuneration as the advisory board members starting July 1, 2023, and payable by the 15th of each month of the 3-year term. Notwithstanding anything to the contrary in this Agreement, if the Investor fails to make any of the three tranche payments under the Financing, the remuneration will be terminated.

The Master Acquisition Financing Agreement contains customary representations and warranties of the parties, including, among others, with respect to corporate organization, capitalization, corporate authority, financial statements and compliance with applicable laws. The representations and warranties of each party set forth in the Master Acquisition Financing Agreement were made solely for the benefit of the other parties to the Master Acquisition Financing Agreement, and investors are not third-party beneficiaries of the Master Acquisition Financing Agreement. In addition, such representations and warranties (a) are subject to materiality and other qualifications contained in the Master Acquisition Financing Agreement, which may differ from what may be viewed as material by investors, (b) were made only as of the date of the Master Acquisition Financing Agreement or such other date as is specified in the Purchase Agreement and (c) may have been included in the Master Acquisition Financing Agreement for the purpose of allocating risk between the parties rather than establishing matters as facts. Accordingly, the Master Acquisition Financing Agreement is included with this filing only to provide investors with information regarding the terms of the Master Acquisition Financing Agreement, and not to provide investors with any other factual information regarding any of the parties or their respective businesses.

### **MEMBERSHIP INTEREST PURCHASE AGREEMENTS**

FAVO Capital, Inc., has acquired 100% of the following company's membership interests under separate Membership Interest Purchase Agreements (the "Purchase Agreements");

FAVO Group LLC	FAVO Group Human Resources LLC	FORE Funding LLC
FAVO Funding LLC	Honeycomb Sub Fund LLC	FAVO Funding CA LLC
FORE Funding CA LLC		

The material details of each transaction are as follows:

#### **FAVO Group LLC**

Purchase Price:	\$5,000,000.00
Cash Portion:	\$2,450,000.00
Debt Portion:	\$2,550,000.00

#### **FAVO Funding LLC**

Purchase Price:	\$5,000,000.00 @ \$0.25 per share (20 million shares of FAVO Capital, Inc.)
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#### **FORE Funding LLC**

Purchase Price:	\$4,700,000.00
Cash Portion:	\$2,050,000.00
Debt Portion:	\$2,150,000.00

**FAVO Group Human Resources LLC**

Purchase Price: \$0.00

This entity is the payroll company managed by FAVO Group LLC

**Honeycomb Sub Fund LLC**

Purchase Price: \$0.00

This entity is directly linked to FAVO Funding LLC, and the financials were considered as part of that transaction.

**FAVO Funding CA LLC**

Purchase Price: \$0.00

This entity has been setup as part of FAVO Funding LLC's compliance for California State.

**FORE Funding CA LLC**

Purchase Price: \$0.00

This entity has been setup as part of FORE Funding LLC's compliance for California State.

The Purchase Agreements are set forth in Exhibit B hereto.

The Purchase Agreements contains customary representations and warranties of the parties, including, among others, with respect to corporate organization, capitalization, corporate authority, financial statements and compliance with applicable laws. The representations and warranties of each party set forth in the Purchase Agreement were made solely for the benefit of the other parties to the Purchase Agreement, and investors are not third-party beneficiaries of the Purchase Agreement. In addition, such representations and warranties (a) are subject to materiality and other qualifications contained in the Purchase Agreement, which may differ from what may be viewed as material by investors, (b) were made only as of the date of the Purchase Agreement or such other date as is specified in the Purchase Agreement and (c) may have been included in the Purchase Agreement for the purpose of allocating risk between the parties rather than establishing matters as facts. Accordingly, the Purchase Agreement is included with this filing only to provide investors with information regarding the terms of the Purchase Agreement, and not to provide investors with any other factual information regarding any of the parties or their respective businesses.

### **CERTIFICATION**

I, Vincent Napolitano, hereby certify the following.

1. I have reviewed this Supplemental Information Disclosure Statement of FAVO Capital Corporation.
2. Based on my knowledge, this Supplemental Information Disclosure Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the information covered by this Supplement Information Disclosure Statement.
3. Based on my knowledge, the financial information included or incorporated by reference in this Supplemental Information Disclosure Statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Supplemental Disclosure Statement.

Date: June 5, 2023

/s/ VINCENT NAPOLITANO  
VINCENT NAPOLITANO  
Chief Executive Officer

**Exhibit A**  
**Independent Valuation**

31<sup>st</sup> May 2023

To: The Directors  
Forfront Capital LLC

1221 College Park Drive,  
Suite 116, Dover,  
Delaware 19904  
United States of America

### **Confirmation of Valuation for the Favo Group of Companies**

Dear Sir/Madam,

This letter is being issued by Stewards Investment Capital Limited (“**SICL**”) to the directors of Forfront Capital LLC (“**Forfront**”) with respect to an investment transaction into Favo Capital Inc (“**FAVO**”).

#### Background

- On the 18<sup>th</sup> of May 2023 a letter of intent was executed between SICL, Forfront, FAVO and the following companies: Honeycomb Sub Fund LLC, FORE Funding LLC, FORE Funding CA LLC, FAVO Group LLC, FAVO Group Human Resources LLC, FAVO Funding LLC, and FAVO Funding CA LLC (together referred to as the “**FAVO Group of Companies**”).
- The salient features of the letter of intent were that:
  - FAVO is to acquire the FAVO Group of Companies from Mr Vincent Napolitano and Mr Shaun Quin who are the sole shareholders of FAVO Group of Companies; and
  - Forfront under the investment advisory mandate of SICL is to invest \$5,000,000 in: convertible preference shares over a period of 180 calendar days into FAVO.

#### Valuation

For the purposes of the above mentioned transaction, SICL has conducted an independent valuation exercise on the FAVO Group of Companies based on management accounts provided by Mr Vincent Napolitano and Mr Shaun Quin; and has determined a fair value attributable to the FAVO Group of Companies to the amount of \$14,200,000.

With respect to the granular valuation of the individual limited liability companies, SICL has attributed the following fair values to the following limited liability companies in the FAVO Group of Companies:



<u>Limited Liability Company</u>	<u>Fair Value</u>
Honeycomb Sub Fund LLC	\$0
FORE Funding LLC	\$5,000,000
FORE Funding CA LLC	\$0
FAVO Group LLC	\$5,000,000
FAVO Group Human Resources LLC	\$0
FAVO Funding LLC	\$4,200,000
FAVO Funding CA LLC	\$0
<u>Total</u>	<u>\$14,200,000</u>

For avoidance of doubt, this valuation letter is solely for the perusal of Forfront for the execution of the transaction described in the letter of intent dated 18<sup>th</sup> of May 2023, and may not be used outside of that scope.

Sincerely yours,



.....  
Muhammad Bilal ADAM

**Director for Stewards Investment Capital**

Email: [BilalAdam@stewards.global](mailto:BilalAdam@stewards.global)



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Glen Anthony Whitefoord STEWARD

**Director for Stewards Investment Capital**

Email: [GlenSteward@stewards.global](mailto:GlenSteward@stewards.global)

**Exhibit B**  
Membership Interest Purchase Agreements

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **FAVO Funding CA LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1.     Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2.     Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3.     Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4.     Closing.**

(a) The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,

claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.



**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

IN WITNESS WHEREOF, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.

**Members:**

**Vincent Napolitano**

*Vincent Napolitano*

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**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

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**Company:**

**FAVO Funding CA LLC**

**By: Shaun Quin**

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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

**By: Nathaniel Tsang Mang Kin**

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## ANNEX A

**Based on the independent valuation of FAVO Funding CA LLC (Attached – Annex B) the following has been determined.**

**Purchase Price:  
\$0.00**

**FAVO Funding CA LLC forms part of FAVO Funding LLC and is Managed by FAVO GROUP LLC.**

## ANNEX B - VALUATION

Title	FAVO Funding CA Membership Interest Purchase...
File name	FAVO Funding CA M...nt_05.31.2023.pdf
Document ID	e28b02b52cd75a813bfd3ec777d4ff96031a0e44
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
13:59:10 UTC

Sent for signature to Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13



**05 / 31 / 2023**  
13:59:45 UTC

Viewed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
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**05 / 31 / 2023**  
14:00:12 UTC

Signed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
14:52:52 UTC

Viewed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137

Title	FAVO Funding CA Membership Interest Purchase...
File name	FAVO Funding CA M...nt_05.31.2023.pdf
Document ID	e28b02b52cd75a813bfd3ec777d4ff96031a0e44
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:53:01 UTC

Signed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137



**05 / 31 / 2023**  
15:28:28 UTC

Viewed by Vincent Napolitano (vnapolitano@favogrp.com)  
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**05 / 31 / 2023**  
15:28:37 UTC

Signed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:28:37 UTC

The document has been completed.

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **FAVO Funding LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1. Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2. Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3. Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4. Closing.**

(a) The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,



claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.

**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

**IN WITNESS WHEREOF**, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.

**Members:**

**Vincent Napolitano**

*Vincent Napolitano*

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**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

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**Company:**

**FAVO Funding LLC**

**By: Shaun Quin**

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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

**By:** Nathaniel Tsang Mang Kin

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## ANNEX A

**Based on the independent valuation of FAVO Funding LLC (Attached – Annex B) the following has been determined.**

**Purchase Price:**

**\$5,000,000.00 (Five Million Dollars)**

**To be Paid as follows:**

**FAVO (OTC Markets: FAVO)**

**Stock at \$0.25 Per Share**

**20,000,000 (Twenty Million Shares)**

## ANNEX B - VALUATION



Title	FAVO Funding Membership Interest Purchase...
File name	FAVO Funding Memb...nt_05.31.2023.pdf
Document ID	009b86189de56a70adabf681614ba4e5461da5ef
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History


**05 / 31 / 2023**

14:27:15 UTC

Sent for signature to Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13



VIEWED

**05 / 31 / 2023**

14:27:39 UTC

Viewed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



SIGNED

**05 / 31 / 2023**

14:27:59 UTC

Signed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



VIEWED

**05 / 31 / 2023**

14:51:40 UTC

Viewed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137

Title	FAVO Funding Membership Interest Purchase...
File name	FAVO Funding Memb...nt_05.31.2023.pdf
Document ID	009b86189de56a70adabf681614ba4e5461da5ef
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:51:48 UTC

Signed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137



**05 / 31 / 2023**  
15:29:51 UTC

Viewed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:30:14 UTC

Signed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:30:14 UTC

The document has been completed.

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **FAVO Group Human Resources LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1.     Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2.     Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3.     Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4.     Closing.**

(a)     The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,

claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.



**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

**IN WITNESS WHEREOF**, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.


**Members:**

**FAVO Group LLC**

*Vincent Napolitano*

---

**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

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**Company:**

**FAVO Group Human Resources LLC**

**By: Shaun Quin**

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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

**By: Nathaniel Tsang Mang Kin**

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## ANNEX A

**Based on the independent valuation of FAVO Group Human Resources LLC (Attached – Annex B) the following has been determined.**

**Purchase Price:  
\$0.00**

**FAVO Group Human Resources LLC is the HR Division of FAVO Group LLC.**

## ANNEX B - VALUATION

Title	FAVO Group Human Resources Membership Interest Purchase...
File name	FAVO Group Human ...nt_05.31.2023.pdf
Document ID	cf971a8e63b8d665808b5e76aab9040bfe8b1758
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:45:05 UTC

Sent for signature to Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13



**05 / 31 / 2023**  
14:45:38 UTC

Viewed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
14:46:14 UTC

Signed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
14:51:00 UTC

Viewed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137

Title	FAVO Group Human Resources Membership Interest Purchase...
File name	FAVO Group Human ...nt_05.31.2023.pdf
Document ID	cf971a8e63b8d665808b5e76aab9040bfe8b1758
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:51:13 UTC

Signed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137



**05 / 31 / 2023**  
15:30:25 UTC

Viewed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:30:34 UTC

Signed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:30:34 UTC

The document has been completed.

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **FAVO Group LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1.     Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2.     Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3.     Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4.     Closing.**

(a)     The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,



claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.

**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

**IN WITNESS WHEREOF**, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.

**Members:**

**Vincent Napolitano**

*Vincent Napolitano*

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**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

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**Company:**

**FAVO Group LLC**

**By: Shaun Quin**

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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

**By: Nathaniel Tsang Mang Kin**

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ANNEX A – INSTALLMENT SALE

**Based on the independent valuation of FAVO Group LLC (Attached – Annex B) the following has been determined.**

**Purchase Price:**

**\$5,000,000.00 (Five Million Dollars)**

**Cash Portion:**

**49% - \$2,450,000 (Two Million, Four Hundred and Fifty Thousand Dollars)**

**Debt Portion: (Installment Sale)**

**51% - \$2,550,000 (Two Million, Five hundred and Fifty Thousand Dollars)**

## ANNEX B - VALUATION



Title	FAVO Group Membership Interest Purchase Agreement_05.31.2023
File name	FAVO Group Member...nt_05.31.2023.pdf
Document ID	87fe8f4cffc0e0f3a0d21bf85f217868fdec691c
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:07:40 UTC

Sent for signature to Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13



**05 / 31 / 2023**  
14:18:35 UTC

Viewed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
14:19:57 UTC

Signed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
14:51:58 UTC

Viewed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137

Title	FAVO Group Membership Interest Purchase Agreement_05.31.2023
File name	FAVO Group Member...nt_05.31.2023.pdf
Document ID	87fe8f4cffc0e0f3a0d21bf85f217868fdec691c
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:52:07 UTC

Signed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137



**05 / 31 / 2023**  
15:29:26 UTC

Viewed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:29:44 UTC

Signed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:29:44 UTC

The document has been completed.

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **FORE Funding CA LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1. Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2. Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3. Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4. Closing.**

(a) The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,

claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.



**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

**IN WITNESS WHEREOF**, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.

**Members:**

**Vincent Napolitano**

*Vincent Napolitano*

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**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

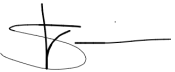
---

**Company:**

**FORE Funding CA LLC**

**By: Shaun Quin**

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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

**By: Nathaniel Tsang Mang Kin**

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ANNEX A

**Based on the independent valuation of FORE Funding CA LLC (Attached – Annex B) the following has been determined.**

**Purchase Price:  
\$0.00**

**FORE Funding CA LLC forms part of FORE Funding LLC and is Managed by FAVO GROUP LLC.**

## ANNEX B - VALUATION

Title	FORE Funding CA Membership Interest Purchase...
File name	FORE Funding CA M...nt_05.31.2023.pdf
Document ID	977122fb22ea2f9f284170434fcacd555ddc6231
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History


**05 / 31 / 2023**

14:02:46 UTC

Sent for signature to Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13


**05 / 31 / 2023**

14:04:29 UTC

Viewed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27


**05 / 31 / 2023**

14:05:37 UTC

Signed by Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global)  
IP: 197.225.126.27


**05 / 31 / 2023**

14:52:31 UTC

Viewed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137

Title	FORE Funding CA Membership Interest Purchase...
File name	FORE Funding CA M...nt_05.31.2023.pdf
Document ID	977122fb22ea2f9f284170434fcacd555ddc6231
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
14:52:41 UTC

Signed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137



**05 / 31 / 2023**  
15:28:49 UTC

Viewed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:29:19 UTC

Signed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:29:19 UTC

The document has been completed.

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **FORE Funding LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1. Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2. Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3. Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4. Closing.**

(a) The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,



claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.

**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

**IN WITNESS WHEREOF**, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.

**Members:**

**Vincent Napolitano**

*Vincent Napolitano*

---

**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

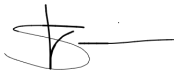
---

**Company:**

**FORE Funding LLC**

Shaun Quin

**By:** \_\_\_\_\_



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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

Nathaniel Tsang

**By: Mang Kin** \_\_\_\_\_



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## ANNEX A

**Based on the independent valuation of  
FORE Funding LLC (Attached - Annex B)  
the following has been determined.**

**Purchase Price:**

**\$4,200,000.00 (Four Million Two Hundred  
Thousand Dollars)**

**Cash Portion:**

**49% - \$2,050,000 (Two Million and Fifty  
Thousand Dollars)**

**Debt Portion: (Installment Sale)**

**51% - \$2,150,000 (Two Million, One  
Hundred and Fifty Thousand Dollars)**

## ANNEX B - VALUATION



Title	FORE Funding Membership Interest Purchase...
File name	FORE Funding Memb...nt_05.31.2023.pdf
Document ID	db37981f1cd08d87e76adc7263165f158962de24
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
13:53:57 UTC

Sent for signature to Nathaniel Tsang (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13



**05 / 31 / 2023**  
13:56:57 UTC

Viewed by Nathaniel Tsang (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
13:59:29 UTC

Signed by Nathaniel Tsang (nathanieltsang@stewards.global)  
IP: 197.225.126.27



**05 / 31 / 2023**  
14:53:10 UTC

Viewed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137



**05 / 31 / 2023**  
14:53:17 UTC

Signed by Shaun Quin (squin@favogrp.com)  
IP: 68.132.79.137

Title	FORE Funding Membership Interest Purchase...
File name	FORE Funding Memb...nt_05.31.2023.pdf
Document ID	db37981f1cd08d87e76adc7263165f158962de24
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



**05 / 31 / 2023**  
15:26:49 UTC

Viewed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:27:55 UTC

Signed by Vincent Napolitano (vnapolitano@favogrp.com)  
IP: 38.140.182.220



**05 / 31 / 2023**  
15:27:55 UTC

The document has been completed.

## **MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT** (hereinafter referred to as the “**Agreement**”) is made and entered into on this 30<sup>th</sup> day of May 2023 by and among **Honeycomb Sub Fund LLC**, a Delaware limited liability company (hereinafter referred to as the “**Company**”), **Vincent Napolitano** and **Shaun Quin**, individuals (hereinafter referred to collectively as the “**Members**” of the Company) and **FAVO Capital, Inc.**, a Nevada corporation (hereinafter referred to as “**Buyer**”).

### **W I T N E S S E T H:**

**WHEREAS**, Members own all of the membership interest in the Company;

**WHEREAS**, Buyer desires to purchase one hundred percent (100%) of the membership interest of the Company from the Members (hereinafter referred to as the “**Membership Interest**”); and, Members desire to sell and transfer the Membership Interest to Buyer upon the terms and subject to the conditions hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the benefits to be derived from this Agreement, the parties hereto do hereby represent, warrant, covenant and agree as follows:

**1. Recital Incorporation.** The above recitals are true and correct and are hereinafter incorporated herein this Agreement by reference.

**2. Purchase.** On the terms and subject to the conditions and based upon the representations, warranties, covenants and agreements of the parties hereinafter set forth in this Agreement, Buyer hereby agrees to purchase from the Members and (i) the Company and (ii) the Members hereby agree to sell and deliver to Buyer the Membership Interest. The Company and the Members shall also deliver, or fully and successfully assign all management agreements and all other material agreements (the “**Contracts**”) to Buyer upon the purchase.

**3. Purchase Price.** The purchase price shall be as set forth on Annex A, attached hereto (the “**Purchase Price**”), and paid as per Annex A.

**4. Closing.**

(a) The closing hereunder will take place at the offices of the Buyers whose address is 1025 Old Country Road, Suite 421E, Westbury, NY 11590 on or before May 31<sup>st</sup>, 2023, at 10:45 AM or such other date and time as the parties hereto may mutually agree to in writing. Such closing is hereinafter and hereinbefore sometimes referred to as the “**Closing**” and such time and date are hereinafter and herein before sometimes referred to as the “**Closing Date**”.

(a) At the Closing:

(1) The Members shall deliver to Buyer (i) an assignment of the Membership Interest of the Company and an amended and restated operating agreement of the Company (the “**Operating Agreement**”), together with such endorsements, assignments and other instruments as, in the opinion of counsel to Buyer, are necessary for the purpose of vesting in Buyer good and valid title to the Membership Interest free and clear of all liens, charges and encumbrances, and (ii) proof of assignment of the Contracts; and

(2) Buyer shall deliver the Purchase Price to the Members, pro-rata.

**5. Representations, Covenants, Agreements and Warranties by Members and the Company.** The Members and the Company hereby warrant and represent as follows:

(a) Members and the Company have and will have at the Closing, full, lawful power and authority to enter into and to carry out the terms of this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance of Members or the Company in consummating the transactions contemplated by this Agreement, will (1) conflict with or result in a violation or breach of, or constitute default under, any term or provision of any agreement or instrument to which Members or the Company is a party or by which Members or the Company is bound, or (2) result in the imposition of any lien, encumbrance, charge or claim upon the Membership Interest; and Members and the Company have full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Members or the Company or the consummation by Members or the Company of the transaction contemplated hereby.

(d) To the best of Members’ knowledge, there are no judgments, liens, actions, suits, proceedings or investigations pending or in process that could materially affect Members' or the Company’s right to enter into and consummate the transactions contemplated by this Agreement.

(e) Buyer will have legal title to the Membership Interest, free and clear of all liens, claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members, with full and unrestricted legal power, authority and right to enter into this Agreement and to transfer and deliver the Membership Interest to Buyer pursuant hereto, and upon delivery of the Membership Interest to Buyer at the Closing, Buyer will be the owner of such Membership Interest and receive legal title to such Membership Interest, free and clear of all liens,

claims, pledges or encumbrances of any kind, nature or description arising by, through or under the Members.

(f) The Company has full power and authority to operate its business in accordance with the Operating Agreement.

(g) The Company is a limited liability company duly organized, validly existing and (to the best of Members' knowledge) in good standing under the laws of the jurisdiction of its organization, and has all requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Membership Interest constitutes one hundred percent (100%) of the Members' right, title and interest in and to the Company. Members has not created, and is not aware of, any outstanding options, warrants, other securities, agreements or commitments pursuant to which any person has or may have the rights to acquire any or all of the Membership Interest or any other securities or any evidences of indebtedness of the Company, and to Members' knowledge there are no existing agreements or arrangements which require or permit any of the Membership Interest to be voted by or at the direction of anyone other than the record owner thereof, except as previously disclosed to the Buyer.

(h) To the best of Members' knowledge, no action or proceeding at law or in equity is pending against the Company or any of the Company's assets before any federal or state court or governmental commission, and no such proceeding is pending in arbitration or by or before any administrative agency wherein an unfavorable judgment, decision, ruling or finding would adversely affect the business, operations, assets, condition, financial or otherwise, of the Company.

(i) EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 5, MEMBERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MEMBERSHIP INTEREST OR THE BUSINESS, AFFAIRS, FINANCIAL CONDITION, ASSETS, LIABILITIES, MANAGEMENT, RISKS OR OPERATIONS OF THE COMPANY AND ITS BUSINESS. MEMBERS EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**6. Representations, Covenants, Agreements and Warranties by Buyer.** Buyer hereby represents and warrants as follows:

(a) Buyer has, and will have at the Closing, full lawful power and authority to enter into and to carry out the terms of, and all transactions contemplated by, this Agreement.

(b) Neither the execution nor delivery of this Agreement, nor the performance by Buyer of the transactions contemplated by this Agreement will (i) conflict with or result in a

violation or breach of, or constitute a default under, any term or provision of any agreement or instrument to which Buyer is a party, or (ii) result in the imposition of any lien, encumbrance, charge or claim upon any of Buyer's assets (other than the lien created by the Security Agreement), and Buyer has full power and authority to carry out all the terms, conditions and provisions of the transactions contemplated by this Agreement without the consent of any other person not a party hereto.

(c) No consent, approval or authorization of, or designation, declaration or filing, with any governmental authority is required in connection with the execution or delivery of this Agreement by Buyer or the consummation by Buyer of the transaction contemplated hereby.

(d) Buyer has not relied on any business representations or warranties of the Members regarding the Company or Buyer's purchase of the Membership Interest and, together with Buyer's advisors, Buyer has the requisite knowledge and experience to understand the risks involved in the transactions contemplated by this Agreement. Buyer is thoroughly familiar with the business, affairs, financial condition, assets, liabilities, management, risks and operations of the Company and its business, and except for Members' warranties set forth in Paragraph 5 of this Agreement, Buyer acknowledges and agrees that Buyer is acquiring the Membership Interest "AS IS", "WHERE IS" and "WITH ALL FAULTS".

(e) The Buyer is acquiring the Membership Interest for Buyer's own account for investment and not with a view to the distribution or with the present intention of selling, assigning or otherwise transferring any thereof. Buyer understands that the Membership Interest has not been registered under the Securities Act of 1933, as amended, and may not be sold, assigned or otherwise transferred without registration thereunder unless such sale, assignment or transfer does not involve a transaction requiring registration under the Securities Act of 1933, as amended.

## **7. Members' Indemnity.**

(a) Members, hereby agrees to defend, indemnify and hold Buyer (hereinafter referred to as the "**Indemnatee**"), harmless from and against any damages, liabilities, losses and expenses (including but not limited to reasonable attorneys' fees) which may be sustained or suffered by the Indemnatee as the result of any action, claim, or proceeding whatsoever arising out of, or based upon, or by reason of Members' past operation of the Company.

(b) Indemnatee shall give prompt written notice to Members of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Indemnatee has the right to participate at its own expense in the defense of any such matter or its settlement, or the Indemnatee may direct Members to take over the defense of such matter. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of any Indemnatee to collect such claims

from Members so long as such failure to so notify Members does not materially or adversely affect Members' ability to defend such claim against a third party. Members, in the defense of any claim or litigation shall not, except with the consent of an Indemnatee, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement by which such Indemnatee is to be bound and which judgment or settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnatee a release from all liability in respect of such claim or litigation.

**8. Conditions Precedent to Performance By Buyer.** The obligation of Buyer hereunder to purchase the Membership Interest pursuant to this Agreement is subject to the satisfaction at or prior to the Closing of all of the following conditions:

(a) Members and the Company shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with at or before the Closing.

(b) All representations and warranties of Members and the Company contained in this Agreement shall be true and correct at and as of the Closing, with the same force and effect as if such representations and warranties had been made as of the Closing.

**9. Conditions Precedent to Performance by Members and the Company.** The obligation of Members and the Company hereunder to sell the Membership Interest pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

(a) Buyer shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with, at or before the Closing.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same force and effect as if such representations and warranties had been made as of the Closing.

(c) All action, proceedings, instruments and documents required or taken in connection with or to carry out the transactions contemplated by this Agreement, and all other legal matters, shall have been satisfactory in form and substance to Members' counsel.

(d) Buyer shall have delivered the Purchase Price to the Members, pro-rata.

**10. Brokers.** Buyer represents and warrants to Members, and Members represent and warrant to Buyer, that the transactions contemplated by this Agreement have been and shall be carried out by the parties directly with each other and in such a manner as not to give rise to any valid claims against any of the parties for a brokerage commission, finder's fee or other like payment.

**11. Expenses.** Buyer and Members will each pay the fee and expenses of their respective counsel and accountants.

**12. Survival.** All representations, warranties, covenants and indemnities made by any party to this Agreement in connection with the transactions contemplated hereby, or in any exhibit, schedule, certificate, list or other document delivered pursuant hereto, shall survive the Closing for a period of one (1) year.

**13. Notices.** All notice and communications to any party required hereunder shall be in writing and shall be delivered to such party at his, her or its address set forth at the beginning of this Agreement, or to such other address as such party may designate by notice given hereunder. Any notices and communications which are mailed, shall be sent by registered or certified first-class mail, postage prepaid.

**14. Assignment.** On or before the Closing Date, no party may assign his, her or its rights, duties or obligations under this Agreement. After the Closing, the terms, provisions, covenants and conditions of this Agreement shall bind and benefit the parties hereto.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed and delivered, shall be an original instrument, but such counterparts, together, shall constitute a single agreement.

**16. Entire Agreement and Amendments.** This Agreement, including the exhibits, schedules and certificates referred to herein which are a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended only by a written instrument executed by all of the parties hereto, or their respective heirs, successors, personal representatives and assigns. There are no restrictions, promises, warranties, covenants or undertaking other than those expressly set forth herein.

**17. Governing Law.** This Agreement shall be construed under and be governed by the laws of the State of Nevada without regard to principles of conflict of laws. Any action, claim or proceeding brought by any party hereunder shall be commenced exclusively in the courts of Nevada. The parties hereto each hereby irrevocably and unconditionally consent to the exclusive jurisdiction and venue of such courts in any action, claim or proceeding brought under this Agreement.



**18. Headings.** Headings are inserted for convenience and do not form a part of the Agreement.

**19. Company Deposits:** Any and all amounts currently on deposit for the benefit of the Company for utility services, insurance, rent etc., are and shall remain the sole property of the Company.

**20. Severability:** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.

**IN WITNESS WHEREOF**, Members and Buyer have caused this Agreement to be executed in their respective names, in person or by their authorized officers, as of the day and year first above written.


**Members:**

**Vincent Napolitano**

*Vincent Napolitano*

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**Shaun Quin**



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**Buyer:**

**FAVO Capital, Inc.**

**By: Vincent Napolitano, CEO**

*Vincent Napolitano*

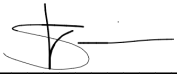
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**Company:**

**Honeycomb Sub Fund LLC**

**By: Shaun Quin**

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**Acknowledged by Third Party Investor:**

**Forfront Capital, LLC**

**By: Nathaniel Tsang Mang Kin**

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## ANNEX A

**Based on the independent valuation of Honeycomb Sub Fund LLC (Attached – Annex B) the following has been determined.**

**Purchase Price:  
\$0.00**

**Honeycomb Sub Fund LLC forms part of FAVO Funding LLC and is Managed by FAVO GROUP LLC.**

## ANNEX B - VALUATION

Title	Honeycomb Sub Fund Membership Interest Purchase...
File name	Honeycomb Sub Fun...nt_05.31.2023.pdf
Document ID	e7f8f01ae6a63cdcffa4936d1623e0a551f8a168
Audit trail date format	MM / DD / YYYY
Status	● Signed

## Document History



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Sent for signature to Nathaniel Tsang Mang Kin (nathanieltsang@stewards.global), Shaun Quin (squin@favogrp.com) and Vincent Napolitano (vnapolitano@favogrp.com) from isorelations@favofunding.com  
IP: 104.28.56.13



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IP: 197.225.126.27



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IP: 197.225.126.27



VIEWED

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Title	Honeycomb Sub Fund Membership Interest Purchase...
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