

As confidentially submitted to with the Securities and Exchange Commission on July [●], 2022 as Amendment No. 1 to the draft registration statement submitted on May 16, 2022. This Amendment No. 1 to the draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

JUSHI HOLDINGS INC.
(Exact Name of Registrant as Specified in Its Charter)

British Columbia
(State or Other Jurisdiction of
Incorporation or Organization)

2833
(Primary Standard Industrial
Classification Code No.)

98-1547061
(I.R.S. Employer
Identification No.)

301 Yamato Road, Suite 3250
Boca Raton, FL 33431
(516) 617-9100

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

James Cacioppo
Chairman and Chief Executive Officer
Jushi Holdings Inc.
301 Yamato Road, Suite 3250
Boca Raton, FL 33431
(516) 617-9100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Tobi Lebowitz, Esq.
Jushi Holdings Inc.
301 Yamato Road, Suite 3250
Boca Raton, FL 33431
(516) 617-9100

W. Stuart Ogg, Esq.
Goodwin Procter LLP
601 Marshall Street
Redwood City, CA 94063
(650) 752-3100

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act") check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated , 2022

PROSPECTUS

49,501,685 Subordinate Voting Shares



This prospectus relates to the sale or other disposition from time to time of up to 49,501,685 subordinate voting shares, no par value (Subordinate Voting Shares), consisting of: (i) 466,800 Subordinate Voting Shares purchased on the Canadian public markets, (ii) 8,491,952 Subordinate Voting Shares issuable upon exercise of outstanding options issued under the Company's equity plan, (iii) 80,600 Subordinate Voting Shares issued upon the exercise of options issued under the Company's equity plan, (iv) 1,538,326 Subordinate Voting Shares issued as restricted stock awards under the Company's equity plan, (v) 548,468 Subordinate Voting Shares issued upon exercise of warrants issued in connection with services rendered to the Company; (vi) 1,688,110 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in connection with services provided to the Company; (vii) 8,211,555 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in connection with the Company's 10% Senior Secured Notes; (viii) 11,575,000 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in private placement transactions; and (ix) 16,900,874 Subordinate Voting Shares issued in private placement and acquisition transactions held by the selling shareholders named in this prospectus. We are not selling any Subordinate Voting Shares under this prospectus and will not receive any of the proceeds from the sale of Subordinate Voting Shares by the selling shareholders. This is the first public offering of our securities in the United States.

We have four classes of authorized shares: Subordinate Voting Shares, Multiple Voting Shares, Super Voting Shares and Preferred Shares. The terms and conditions of the Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares are identical except with respect to voting and conversion rights. The terms and conditions of the Preferred Shares will be determined by our board of directors, if, as and when such Preferred Shares are issued. Currently only Subordinate Voting Shares are issued and outstanding. See "Description of Capital Stock".

The selling shareholders may sell or otherwise dispose of the Subordinate Voting Shares covered by this prospectus in a number of different ways and at varying prices. The prices at which the selling shareholders may sell the Subordinate Voting Shares will be determined by the prevailing market price for the Subordinate Voting Shares or in negotiated transactions. **We provide more information about the selling shareholders and how they may sell or otherwise dispose of their Subordinate Voting Shares in the sections entitled "Selling Shareholders" and "Plan of Distribution" on pages 34 and 116, respectively, of this prospectus. The selling shareholders will pay all brokerage fees and commissions and similar expenses. We will pay all expenses (except brokerage fees and commissions and similar expenses) relating to the registration of the Subordinate Voting Shares with the Securities and Exchange Commission.**

Our Subordinate Voting Shares are listed on the Canadian Securities Exchange (the CSE) under the symbol "JUSH" and quoted on the OTCQX Best Market under the symbol "JUSHF." The last reported sale price of our Subordinate Voting Shares on the CSE on July 5, 2022 was C\$1.90 per share and on the OTCQX Best Market on July 5, 2022 was \$1.45 per share.

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Investing in our Subordinate Voting Shares involves risks that are described in the ["Risk Factors"](#) section beginning on page 9 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2022.

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Unless the context otherwise requires, the terms “Jushi,” “the Company,” “we,” “us” and “our” in this prospectus refer to Jushi Holdings Inc. and its subsidiaries, and “this offering” refers to the offering contemplated by this prospectus.

Neither we nor the selling shareholders authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of the date of such prospectus, regardless of its time of delivery or any sale of Subordinate Voting Shares. Our business, financial condition, results of operations and prospects may have changed since that date. We are not, and the selling shareholders are not, making an offer of these securities in any jurisdiction where such offer is not permitted.

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We have not done anything that would permit a public offering of the Subordinate Voting Shares or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of Subordinate Voting Shares and the distribution of this prospectus outside of the United States.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from our own management estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Our management estimates have not been verified by any independent source, and we have not independently verified any third-party information. In addition, assumptions and estimates of our and our industry’s future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.” These and other factors could cause our future performance to differ materially from our assumptions and estimates. See “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.”

It is important for you to read and consider all of the information contained in this prospectus in making your investment decision. To understand the offering fully and for a more complete description of the offering, you should read this entire document carefully.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our Subordinate Voting Shares. You should read the following summary together with the more detailed information appearing in this prospectus, including our financial statements and related notes, and the information set forth under the sections titled “Risk Factors,” “Cautionary Note Regarding Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” before making an investment decision.

Company Overview

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. Our management team is focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license markets. We have targeted assets in highly populated, limited licensed medical markets that are on a path toward adult-use legalization, including Pennsylvania and Ohio, markets that are in the process of transitioning to adult-use, Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada and Massachusetts, and certain municipalities of California.

Our Subordinate Voting Shares are listed for trading on the Canadian Securities Exchange (the CSE) under the ticker symbol “JUSH” and quoted in the U.S. Over the Counter Stock Market (OTCQX) under the ticker symbol “JUSHF.”

Key Markets Overview

Pennsylvania Operations:

We currently operate a total of eighteen medical dispensaries under the BEYOND/HELLO™ brand in Pennsylvania. We also operate an 81,000 sq. ft. cannabis cultivation and processing facility in Scranton, Pennsylvania, through our subsidiary Pennsylvania Medical Solutions, LLC (PAMS). The PAMS facility is currently undergoing a significant expansion that is expected to increase the size of the facility to 123,000 sq. ft., and is expected to be completed by the summer of 2022, subject to regulatory approvals. The details relating to the expansion of PAMS can be found in the “Business” section of this prospectus.

Illinois Operations:

We currently operate four adult-use BEYOND/HELLO™ dispensaries in Illinois: two in Sauget (one with co-located medical) and two in Bloomington-Normal (one with co-located medical).

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In August 2021, Northern Cardinal Ventures, LLC (Northern Cardinal), was awarded a conditional retail dispensary license in Illinois via the state's lottery process. Jushi is an operational and 49% equity member in Northern Cardinal. Pending regulatory approvals, that dispensary will become the fifth BEYOND/HELLO™ dispensary in Illinois and is designated for the Peoria Bureau of Labor Statistics region in Illinois. The new retail dispensary licensing process for all applicants is currently stayed, pursuant to a court order issued July 2021 in connection with litigation against the state which Jushi is not a party to.

Virginia Operations:

Through our subsidiary Dalitso LLC (Dalitso), we operate a pharmaceutical processor facility in Manassas, Virginia (the Manassas Facility), which allows us to cultivate, process, dispense and deliver medical cannabis to registered patients in Virginia. The Manassas Facility is approximately 93,000 sq. ft., of which approximately 30,000 sq. ft. is built out for operations. In May 2021, we began phase one of the expansion of the existing facility, which is expected to add approximately 63,000 sq. ft. of cultivation, manufacturing and processing capacity and is expected to be completed by the summer of 2022. We also operate two medical BEYOND/HELLO™ dispensaries in Virginia: one in Prince William County near the City of Manassas and one in Sterling, and have plans to open an additional four dispensaries, subject to local zoning and state regulatory approvals.

Massachusetts Operations:

In September 2021, Jushi completed the acquisition of Nature's Remedy of Massachusetts, Inc. and certain of its affiliates (collectively, Nature's Remedy), a vertically integrated single state operator in Massachusetts. Nature's Remedy currently operates two adult-use dispensaries (with one co-located medical), in Millbury, Massachusetts and Tyngsborough, Massachusetts, and a 50,000 sq. ft. cultivation and production facility in Lakeville, Massachusetts with approximately 33,000 sq. ft. of high-quality indoor flower canopy and state-of-the-art extraction and manufacturing capabilities. Our entrance into the Massachusetts market marks the seventh state where we operate cannabis assets and the third state where we are vertically integrated (i.e., operating retail, cultivation, and processing facilities).

California Operations:

We currently operate an adult-use and medical licensed dispensary in each of Santa Barbara, Palm Springs, and Grover Beach, California, and plan to open an additional dispensary in Culver City, California. Our Palm Springs dispensary's operations were voluntarily suspended while the dispensary undergoes significant renovations and is expected to resume operations in the third quarter of 2022.

Nevada Operations:

Through our subsidiary, Franklin Bioscience NV, LLC (FBS NV), we currently operate cultivation, production and distribution facilities in North Las Vegas, Nevada.

On March 16, 2022, we acquired 100% of the equity interest of an entity operating an adult-use and medical retail dispensary in Las Vegas, Nevada (Apothecarium). We are in the process of changing its name to Beyond Hello™. The Apothecarium acquisition, together with the purchase of FBS NV, enables us to provide significant branding exposure for our high-quality product lines, including The Bank, The Lab, Tasteology and Sèche.

On April 6, 2022, we closed on our acquisition to acquire NuLeaf, Inc. together with its subsidiaries and related companies (collectively, NuLeaf), a Nevada-based vertically integrated operator. NuLeaf operates two adult-use and medical retail dispensaries in Las Vegas, Nevada, and one adult-use and medical retail dispensary in Lake Tahoe, Nevada, in addition to a 27,000 sq. ft. cultivation facility in Sparks, Nevada, as well as a 13,000 sq. ft. processing facility in Reno, Nevada.

Ohio Operations:

In July 2021, we closed on the acquisition of Ohio Green Grow LLC and OhiGrow, LLC (OhiGrow), one of 34 licensed cultivators in Ohio, inclusive of an approximately 10,000 sq. ft. cultivation facility and 1.35 acres of land.

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In August 2021, we closed on the acquisition of Franklin Bioscience OH, LLC, (FBS OH), a licensed medical cannabis processor in Ohio. FBS OH operates an 8,000 sq. ft., state-of-the-art processing facility in Columbus, Ohio.

On May 16, 2022, our 100% owned subsidiary, Campbell Hill Ventures, LLC ("Campbell Hill Ventures"), was awarded a provisional medical marijuana dispensary license by the Ohio Medical Marijuana Control Program and is awaiting certification of licenses by the Ohio Board of Pharmacy. Pending regulatory approvals, this marks our first retail location in Ohio, and establishes our fifth vertically integrated state, accompanying Pennsylvania (by way of its affiliated subsidiaries), Virginia, Massachusetts, and Nevada.

Recent Developments

Debuted Line of Concentrate Products Using Hydrocarbon Extraction

On June 29, 2022, we announced the debut of our first line of concentrates made using hydrocarbon extraction by our award-winning brand The Lab™, which is famous for delivering high-quality, precision vape products and concentrates. The Lab™ Live Resin is the second of several single-source concentrate product lines to be launched. Initially, we will exclusively carry The Lab™ Live Resin 500mg full-spectrum 0.5 gram 510 cartridges at BEYOND/HELLO™ retail locations in Pennsylvania. We plan to roll out our hydrocarbon-extracted line at partner dispensaries across Pennsylvania in the coming months, as well as in additional states such as Massachusetts, Virginia and Nevada.

CEO Purchased Subordinate Voting Shares

On June 27, 2022, we announced that CEO, Chairman, and Founder, Jim Cacioppo, purchased 100,000 Subordinate Voting Shares of the Company in the open market for

an approximate amount of \$151,000. Mr. Cacioppo holds in the aggregate approximately 16.9% of the issued and outstanding Subordinate Voting Shares on a non-diluted basis.

Opened 33rd Retail Location Nationwide and Fourth Dispensary in Nevada

On June 8, 2022, we expanded our retail presence with the opening of our 33rd dispensary nationally and fourth dispensary in Nevada with NuLeaf Las Vegas The Strip. Following the opening of NuLeaf Las Vegas The Strip, our retail operations in Nevada consists of three adult-use and medical dispensaries in Las Vegas and one adult-use and medical dispensary in Lake Tahoe.

Awarded Provisional Medical Marijuana Dispensary License in Ohio

On May 16, 2022, our 100% owned subsidiary, Campbell Hill Ventures, was awarded a provisional medical marijuana dispensary license by the Ohio Medical Marijuana Control Program in the Tri-State area of Cincinnati. The new store will operate under Jushi's retail brand, BEYOND/HELLO™, and is expected to open by early Q1 2023.

Expanded Product Offerings with the Launch of First Line of Solventless Cannabis Extracts

On May 16, 2022, we announced the debut of our first line of solventless live rosin extracts by our award-winning brand, The Lab™. The new top-shelf product line, includes a 0.5g vape extract cartridge available now and 1g jarred concentrates coming soon for purchase exclusively at BEYOND/HELLO™ store locations in Pennsylvania under the name, The Lab™ Live RSN. The Lab™ Live Rosin is expected to launch at our retail locations in Massachusetts, Nevada and Virginia, pending regulatory approvals.

Opened 3rd Adult-Use and Medical Dispensary in California

On May 13, 2022, we expanded our retail footprint in California with the opening of an adult-use and medical retail dispensary in Grover Beach, California, BEYOND/HELLO™ Grover Beach. This is our 32nd retail location nationally and third adult-use and medical retail dispensary in California.

Completed Acquisition of Vertically Integrated Operator in Nevada

On April 6, 2022, we closed on the previously announced agreement to acquire NuLeaf for \$53.6 million. At close, NuLeaf operated two adult-use and medical retail dispensaries in Las Vegas and Lake Tahoe, in addition to a 27,000 sq. ft. cultivation facility in Sparks, Nevada and a 13,000 sq. ft. processing facility in Reno, Nevada. NuLeaf subsequently opened a third licensed retail dispensary, located directly on Las Vegas Boulevard, on June 8, 2022.

Completed Acquisition of Las Vegas, Nevada Dispensary

On March 17, 2022, we closed on the previously announced agreement to acquire Apothecarium, an operating adult-use and medical retail dispensary in Las Vegas, Nevada.

Private Placement with Strategic Asset Manager and Long-Term Strategic Investors

On January 26, 2022, we completed a non-brokered private placement offering of an aggregate of 2,717,392 Subordinate Voting Shares at a price of \$3.68 per share to Graticule Asset Management Asia for gross proceeds of \$10.0 million. On January 31, 2022, we completed a non-brokered private placement offering of an aggregate of 1,000,000 Subordinate Voting Shares at a price of \$3.68 per share to Kenneth Rosen and group for gross proceeds of \$3.7 million.

Acquisition Facility

On October 20, 2021, we entered into definitive documentation in respect of a \$100 million Senior Secured Credit Facility (the Acquisition Facility) with Roxbury, LP acting as agent to SunStream Bancorp Inc. (Sunstream), a joint venture sponsored by Sundial Growers Inc. (NASDAQ:SNDL). The Acquisition Facility is subject to certain customary negative covenants until the Senior Notes mature or are refinanced, including covenants that restrict the Company's and its subsidiaries' ability to pay dividends or make distributions, incur or guarantee additional indebtedness or conduct sales and other dispositions of certain properties or assets. Upon the maturity or refinancing of the Senior Notes, the Company and its subsidiaries who are parties to the Acquisition Facility will be subject to additional customary negative covenants that, among other things, restrict the Company's and its applicable subsidiaries' ability to create liens, make investments, consummate acquisitions, mergers, reorganizations or similar transactions, enter into sale-leaseback transactions, prepay subordinated debt, pay dividends or make distributions, change the line of business and enter into transactions with affiliates.

As of the date of this prospectus, we have drawn down \$65.0 million from under the Acquisition Facility to fund the cash portion of the recently completed acquisitions of Nature's Remedy, Apothecarium and NuLeaf. We will consider drawing down additional amounts under the Acquisition Facility in the future for potential strategic expansion opportunities in both core and developing markets. Funds drawn under the Acquisition Facility bear an interest rate of 9.5% per annum, payable quarterly, and mature on October 20, 2026. We will be able to borrow amounts under the Acquisition Facility until May 20, 2023 and will have a two-year interest-only period before partial amortization begins on a quarterly basis. We also may increase the total commitment of the Acquisition Facility by an aggregate amount of up to an additional \$25 million, subject to certain conditions. The Acquisition Facility is secured by a first lien over certain of our assets and on a *pari passu* basis with current senior indebtedness on existing assets that are collateralized under our current 10% Senior Secured Notes.

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Corporate Information

Our principal executive offices are located at 301 Yamato Road, Suite 3250, Boca Raton, Florida 33431 and our telephone number is (561) 617-9100. We maintain a website at <http://www.jushico.com>. The information contained on, or accessible through, our website is not part of this prospectus. Our periodic and current reports are available, free of charge, after the material is electronically filed with, or furnished to, the Canadian securities regulators on SEDAR, at www.sedar.com. The offering contemplated by this prospectus is the first public offering of our securities in the United States (U.S.). Because we have not previously registered a class of securities under Section 12 of the Exchange Act, we have not historically been required to file reports on Forms 10-K, 10-Q or 8-K. We have filed with the Securities and Exchange Commission (SEC) a registration statement on Form S-1, including exhibits and schedules, under the Securities Act of 1933, as amended (Securities Act) with respect to the Subordinate Voting Shares to be sold in this offering. This prospectus constitutes a part of the registration statement and, following the effectiveness of the registration statement, we will become subject to the full informational and periodic reporting requirements of the Securities Exchange Act of 1934, as amended (Exchange Act). For further information about us and our Subordinate Voting Shares, you may refer to the registration statement. You may read, without charge, all or any portion of the registration statement or any reports, statements or other information we file with the SEC on the internet website maintained by the SEC at <http://www.sec.gov>.

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. Some of these risks are:

Risks Related to our Business and Industry

- Our ability to grow our medical and adult-use cannabis product offerings and dispensary services may be limited.
- If we cannot manage our growth, it could have a material adverse effect on our business, financial condition and results of operations.
- We have a history of sustained losses and negative cash flow from operations.
- We expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations.
- The market for the Subordinate Voting Shares may be limited for holders of our securities who live in the U.S.
- The COVID-19 pandemic could adversely affect our business, financial condition and results of operations.
- We face increasing competition that may materially and adversely affect our business, financial condition and results of operations.
- We may not be able to accurately forecast our operating results and plan our operations due to uncertainties in the cannabis industry.
- We are highly dependent on certain key personnel.
- We face inherent risks of liability claims related to the use of our products.
- Our medical marijuana business may be impacted by consumer perception of the cannabis industry, which we cannot control or predict.
- Product recalls could result in a material and adverse impact on our business, financial condition and results of operations.
- We are subject to security risks related to our products as well as our information and technology systems.
- Our significant indebtedness may adversely affect our business, financial condition and financial results.
- We are subject to labor risks that could have an adverse effect on our results of operations.

Risks Related to the Regulatory Environment

- Cannabis is illegal under U.S. federal law.
- The regulation of cannabis in the U.S. is uncertain.

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- Anti-Money Laundering Laws in the U.S. may limit access to funds from banks and other financial institutions.
- Potential regulation by the U.S. Food and Drug Administration could have a material adverse effect on our business, financial condition and results of operations.
- As a cannabis company, we may be subject to heightened scrutiny in Canada and the U.S. that could materially adversely impact the liquidity of the Subordinate Voting Shares.
- As a cannabis business, we are subject to certain tax provisions that have a material adverse effect on our business, financial condition and results of operations.
- We are subject to limits on our ability to own the licenses necessary to operate our business, which will adversely affect our ability to grow our business and market share in certain states.
- Our property is subject to risk of civil asset forfeiture.
- We may be at a higher risk of U.S. Internal Revenue Service (the IRS) audit.
- We could be subject to criminal prosecution or civil liabilities under The Racketeer Influenced Corrupt Organizations Act (RICO).

Risks Related to our Subordinate Voting Shares

- Return on Subordinate Voting Shares is not guaranteed.
- Raising additional capital may cause dilution to our shareholders.
- Sales of substantial amounts of Subordinate Voting Shares by our existing shareholders in the public market may have an adverse effect on the market price of the Subordinate Voting Shares.
- The market price for the Subordinate Voting Shares has been and is likely to continue to be volatile.
- There may not be sufficient liquidity in the markets for our Subordinate Voting Shares.
- We will be subject to increased expenses as a result of being a U.S. reporting company.
- We have identified material weaknesses in our internal control over financial reporting which, if not corrected, could affect the reliability of our consolidated financial statements and have other adverse consequences.

Implications of Being an Emerging Growth Company

As a company with less than \$1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). As an emerging growth company, we may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure;
- an extended transition period for complying with new or revised accounting standards under Section 102(b)(1) of the JOBS Act;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements;
- exemptions from the requirements to hold a non-binding advisory vote on executive compensation or seek shareholder approval of golden parachute arrangements not previously approved; and
- an exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, (the Sarbanes-Oxley Act) in the assessment of our internal control over financial reporting.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

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We expect to take advantage of some or all of the reduced reporting and other requirements that will be available to us as long as we qualify as an emerging growth company. We will, in general, remain an emerging growth company for up to five full fiscal years following the effectiveness of the registration statement of which this prospectus forms a part. We will cease to be an emerging growth company and become ineligible to rely on the above exemptions, if we:

- have \$1.07 billion or more in annual revenue in a fiscal year;
- issue more than \$1.0 billion of non-convertible debt during any three-year period; or
- become a “large accelerated filer” as defined in Rule 12b-2 promulgated under the Exchange Act, which would occur as of the end of our fiscal year where: (i) we have filed at least one annual report pursuant to the Exchange Act; (ii) we have been a company reporting with the Securities and Exchange Commission, or the SEC, for at least 12 months; and (iii) the market value of shares of our Subordinate Voting Shares that are held by non-affiliates equals or exceeds \$700.0 million as of the last business day of our most recently completed second fiscal quarter.

The Offering

Subordinate Voting Shares offered:

The selling shareholders may offer from time to time up to an aggregate of 49,501,685 Subordinate Voting Shares consisting of: (i) 466,800 Subordinate Voting Shares purchased on the Canadian public markets, (ii) 8,491,952 Subordinate Voting Shares issuable upon exercise of outstanding options issued under the Company's equity plan, (iii) 80,600 Subordinate Voting Shares issued upon the exercise of options issued under the Company's equity plan, (iv) 1,538,326 Subordinate Voting Shares issued as restricted stock awards under the Company's equity plan, (v) 548,468 Subordinate Voting Shares issued upon exercise of warrants issued in connection with services rendered to the Company; (vi) 1,688,110 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in connection with services provided to the Company; (vii) 8,211,555 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in connection with the Company's 10% Senior Secured Notes; (viii) 11,575,000 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in private placement transactions; and (ix) 16,900,874 Subordinate Voting Shares issued in private placement and acquisition transactions.

Subordinate Voting Shares outstanding as of July 6, 2022:

As of July 6, 2022, 195,542,012 Subordinate Voting Shares were issued and outstanding. As of July 6, 2022, no Subordinate Shares were issuable upon conversion of Super Voting Shares, Multiple Voting Shares or Preferred Shares.

Subordinated Voting Shares outstanding after giving effect to the exercise of options and warrants for the Subordinated Voting Shares offered by the selling shareholders hereby:

224,043,966

Use of proceeds:

We will not receive any of the proceeds from the sale of Subordinate Voting Shares by the selling shareholders in this offering. To the extent exercised for cash, we will receive the applicable exercise price for any options exercised that may be sold in this offering. We will not receive any proceeds from the exercise of any of such options that are exercised on a net or “cashless” basis in accordance with their terms.

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Risk Factors:

You should read the “Risk Factors” section beginning on page 14 and other information included in this prospectus for a discussion of factors to consider carefully before deciding to invest in our Subordinate Voting Shares.

Stock exchange listing:

The Subordinate Voting Shares are listed on the Canadian Securities Exchange under the symbol “JUSH” and trade on the OTCQX Best Market under the symbol “JUSHF.”

Description of Capital Stock:

We have four classes of authorized shares: Subordinate Voting Shares, Multiple Voting Shares, Super Voting Shares and Preferred shares. Currently only Subordinate Voting Shares are issued and outstanding. The terms and conditions of the Subordinate Voting Shares, Multiple Voting Shares, and Super Voting Shares are identical except with respect to voting and conversion rights. The terms and conditions of the Preferred Shares will be determined by our Board, if, as and when such Preferred Shares are issued. See “Description of Capital Stock”.

Summary Consolidated Financial Data

The following tables summarize our consolidated financial and other data. We derived our summary consolidated statements of operations and comprehensive income data for the three months ended March 31, 2022 and 2021, and the years ended December 31, 2021 and 2020 and our summary consolidated balance sheet data as of March 31, 2022, December 31, 2021 and 2020 from our consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the following financial information together with the information under the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

(amounts expressed in thousands of U.S. dollars, unless otherwise stated)	For the Three Months Ended March 31, (unaudited)		For the Year Ended December 31,	
	2022	2021	2021	2020
Revenue, net	\$ 61,888	\$ 41,675	\$ 209,292	\$ 80,772
Cost of goods sold	(42,776)	(22,934)	(125,898)	(42,431)
Gross profit	\$ 19,112	\$ 18,741	\$ 83,394	\$ 38,341
Operating expenses	\$ 37,308	\$ 21,911	\$ 119,159	\$ 54,895
Net income (loss) and comprehensive income(loss) attributable to Jushi shareholders	\$ (19,757)	\$ (30,876)	\$ 20,251	\$ (210,607)
Net income (loss) and comprehensive income (loss) per share attributable to Jushi shareholders - basic	\$ (0.11)	\$ (0.20)	\$ 0.12	\$ (1.94)
Weighted average shares outstanding - basic	183,226,027	157,176,375	170,292,035	108,485,158
Net income (loss) and comprehensive income (loss) per share attributable to Jushi shareholders - diluted	\$ (0.16)	\$ (0.20)	\$ (0.42)	\$ (1.94)
Weighted average shares outstanding - diluted	207,838,906	157,176,375	201,610,251	108,485,158

	March 31, 2022 (unaudited)	December 31, 2021	December 31, 2020
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 75,717	\$ 94,962	\$ 85,857
Working capital ⁽¹⁾	\$ (19,706)	\$ 70,430	\$ 89,345
Total assets	\$ 650,644	\$ 649,141	\$ 335,665
Total liabilities	\$ 457,487	\$ 468,158	\$ 333,242
Total shareholders' equity	\$ 193,157	\$ 180,983	\$ 2,423

(1) We define working capital as current assets less current liabilities.

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RISK FACTORS

Investing in our Subordinate Voting Shares involves a high degree of risk. Before you decide to invest in our Subordinate Voting Shares, you should consider carefully the risks described below, together with the other information contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus. We believe the risks described below are the risks that are material to us as of the date of this prospectus. If any of the following risks actually occur, our business, results of operations and financial condition would likely be materially and adversely affected. In these circumstances, the market price of our Subordinate Voting Shares could decline, and you may lose part or all of your investment.

Risks Related to Our Business and Industry

The cannabis industry is relatively new.

We are operating in a relatively new industry and market. In addition to being subject to general business risks, we must continue to build brand awareness in this industry and market share through significant investments in our strategy, production capacity, quality assurance and compliance with regulations. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids, such as cannabidiol (CBD), and tetrahydrocannabinol (THC) remains in relatively early stages. Few clinical trials on the benefits of cannabis or isolated cannabinoids have been conducted. Future research and clinical trials may draw opposing conclusions to statements contained in the articles, reports and studies currently favored, or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to medical cannabis, which could adversely affect social acceptance of cannabis and the demand for our products and dispensary services.

Accordingly, there is no assurance that the cannabis industry and the market for medicinal and/or adult-use cannabis will continue to exist and grow as currently anticipated or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or further restrictions on sales in certain areas and markets could have a material adverse effect on our business, financial condition and results of operations.

Our ability to grow our medical and adult-use cannabis product offerings and dispensary services may be limited.

As we introduce or expand our medical and adult-use cannabis product offerings and dispensary services, we may incur losses or otherwise fail to enter certain markets successfully. Our expansion into new markets may place us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest significant resources and the possibility that returns on those investments will not be achieved for several years, if at all. In attempting to establish new product offerings or dispensary services, we may incur significant expenses and face various other challenges, such as expanding our work force and management personnel to cover these markets and complying with complicated cannabis regulations that apply to these markets. In addition, we may not successfully demonstrate the value of these product offerings and dispensary services to consumers, and failure to do so would compromise our ability to successfully expand these additional revenue streams.

We may acquire other companies or technologies.

Our success will depend, in part, on our ability to grow our business in response to the demands of consumers and other constituents within the cannabis industry as well as competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. In

addition, we may not realize the expected benefits from completed acquisitions. The risks we face in connection with acquisition include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development and sales and marketing functions;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- potential write-offs of intangible assets or other assets acquired in transactions that may have an adverse effect on our operating results in a given period;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and

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- litigation or other claims in connection with the acquired company, including claims from terminated employees, consumers, former shareholders, or other third parties.

Our failure to address these risks or other problems encountered in connection with any future acquisitions or investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in the incurrence of debt, contingent liabilities, amortization expenses, or the impairment of goodwill, any of which could harm our financial condition.

We may issue additional Subordinate Voting Shares in connection with such transactions, which would dilute our other shareholders' interests in us. The presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our business, results of operations, prospects and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our operations.

If we cannot manage our growth, it could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to growth-related risks, including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Our inability to successfully manage our growth may have a material adverse effect on our business, financial condition, results of operations or prospects.

We have a history of sustained losses and negative cash flow from operations, and we expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations and may not be able to achieve profitability.

We have sustained net losses from operations and negative cash flow from operating activities in the past and may incur such losses and negative operating cash flow in the future. We expect to incur significant ongoing costs and obligations related to our investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on our results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase our compliance costs or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition. Our efforts to grow our business may be more costly than expected, and we may not be able to increase our revenue enough to offset these higher operating expenses. We may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the market price of our securities may significantly decrease.

We expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations.

We expect to incur significant ongoing costs and obligations related to our investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on our results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase our compliance costs or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition. Our efforts to grow our business may be more costly than expected, and we may not be able to increase our revenue enough to offset these higher operating expenses. We may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the market price of our securities may significantly decrease.

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The market for the Subordinate Voting Shares may be limited for holders of our securities who live in the U.S.

Given the heightened risk profile associated with cannabis in the U.S., capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the U.S. cannabis industry, which may prohibit or significantly impair the ability of securityholders in the U.S. to trade our securities. In the event residents of the U.S. are unable to settle trades of our securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

The COVID-19 pandemic could adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic has severely restricted the level of economic activity around the world, including where we operate in the U.S. In response to the COVID-19 pandemic the governments of many countries, states, provinces, municipalities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations, ordering temporary closures of businesses and advising or requiring individuals to limit or forego their time outside of their homes. Numerous businesses have temporarily closed voluntarily or closed permanently. Although some preventative or protective actions have been eased or lifted in varying degrees by different governments of various countries, states and municipalities, COVID-19, including new and highly contagious variants of COVID-19, continues to spread quickly throughout the world. Notwithstanding widespread vaccine availability within the U.S., the emergence of COVID-19 variants and slowing vaccination rates in certain localities have resulted in increased infection rates and has caused, and may continue to cause, several jurisdictions to reinstitute certain COVID-19 restrictions. Additional

waves of increased COVID-19 infections as well as COVID-19 related restrictions imposed by various governmental authorities (including, for example, requirements to show proof of vaccination), could negatively impact our supply chain, as well as traffic and sales volume for our products, which in turn could have an adverse effect on our business, financial condition and results of operations.

While many closures or restrictions have eased as the spread of COVID-19 and infection rates decline, if the pandemic persists, including if and when new variants of the virus emerge, closures or other restrictions on the conduct of our business operations or of third party manufacturers, suppliers or vendors could disrupt our supply chain. Quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, could impact personnel or the availability or cost of materials, which could in turn disrupt our supply chain. In addition, as a result of COVID-19, we have in certain cases implemented work-from-home policies for certain employees, and the effects of our work-from-home policies may negatively impact productivity, disrupt access to books and records, increase cybersecurity risks and the risk of inadvertent disclosure of confidential information and disrupt our business. In addition, the continued spread of COVID-19 could result in under-utilization of our assets as a result of disruptions in labor supply, as well as delays and increased costs in construction and expansion projects.

The global impact of the COVID-19 pandemic continues to evolve rapidly, and the extent of its effect on our operational and financial performance will depend on future developments, which are highly uncertain, including the duration, scope and severity of the pandemic, the development and availability of effective treatments and vaccines, further actions taken by governments and other third parties to contain or mitigate its impact, the direct and indirect economic effects of the pandemic and related containment measures, and new information that will emerge concerning the severity and impact of COVID-19 and new variants of the virus, among others. Even after the COVID-19 pandemic subsides, our businesses could also be negatively impacted should the effects of the COVID-19 pandemic lead to changes in consumer behavior, such as reductions in discretionary spending. In addition, a severe or prolonged recession resulting from the COVID-19 pandemic would likely materially affect our business and the value of our Subordinated Voting Shares.

We expect to be subject to taxation in both Canada and the U.S., which could have a material adverse effect on our financial condition and results of operations.

We are a Canadian corporation, and as a result generally would be classified as a non-U.S. corporation under the general rules of U.S. federal income taxation. Section 7874 of the Code, however, contains rules that can cause a non-U.S. corporation to be taxed as a U.S. corporation for U.S. federal income tax purposes. Under Section 7874 of the Code, a corporation created or organized outside of the U.S. will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes, which is referred to as an inversion, if each of the following three conditions are met: (i) the non-U.S. corporation acquires, directly or indirectly, or is treated as acquiring under applicable U.S. Treasury regulations, substantially all of the assets held, directly or indirectly, by a U.S. corporation or constituting a U.S. trade or business, (ii) after the acquisition, the former shareholders of the acquired U.S. corporation hold at least 80% (by vote or value) of the shares of the non-U.S. corporation by reason of holding shares of the acquired U.S. corporation or acquired trade or business, and (iii) after the acquisition, the non-U.S. corporation's expanded affiliated group does not have substantial business activities in the non-U.S. corporation's country of organization or incorporation when compared to the expanded affiliated group's total business activities.

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Pursuant to Section 7874 of the Code, we are classified as a U.S. corporation for U.S. federal income tax purposes and are subject to U.S. federal income tax on our worldwide income. Regardless of any application of Section 7874 of the Code, however, we expect to be treated as a Canadian resident company for purposes of the Canadian Income Tax Act, as amended. As a result, we will be subject to taxation both in Canada and the U.S., which could have a material adverse effect on our financial condition and results of operations.

We are a holding company and our ability to pay dividends or make other distributions to shareholders may be limited.

We are a holding company and essentially all of our assets are the capital stock of our subsidiaries. We currently conduct substantially all of our business through our subsidiaries, which currently generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future growth opportunities are largely dependent on the earnings of our subsidiaries and the distribution of those earnings to Jushi Holdings Inc. The ability of our subsidiaries to pay dividends and other distributions will depend on those subsidiaries' operating results and will be subject to applicable laws and regulations that require that solvency and capital standards be maintained by a subsidiary company and contractual restrictions contained in the instruments governing any current or future indebtedness of our subsidiaries. In the event of a bankruptcy, liquidation or reorganization of our subsidiaries, holders of indebtedness and trade creditors of that subsidiary may be entitled to payment of their claims from that subsidiary's assets before we or our shareholders would be entitled to any payment or residual assets.

We face increasing competition that may materially and adversely affect our business, financial condition and results of operations.

We face competition from companies that may have greater capitalization, access to public equity markets, longer operating histories and more manufacturing, retail and marketing experience than us. As we execute our growth strategy, operators in markets we enter in the future will become direct competitors, and we are likely to continue to face increasing and intense competition from these companies. Increased competition by larger and better financed competitors could materially and adversely affect our business, financial condition and results of operations.

If the number of users of adult-use and medical marijuana in the U.S. increases, the demand for products will increase. Consequently, we expect that competition will become more intense as current and future competitors begin to offer an increasing number of diversified products to respond to such increased demand. To remain competitive, we will require a continued investment in research and development, marketing, sales and client support. We may not have sufficient resources to maintain sufficient levels of investment in research and development, marketing, sales and client support efforts to remain competitive, which could materially and adversely affect our business, financial condition and results of operations.

The cannabis industry is undergoing rapid growth and substantial change, which have resulted in an increase in competitors, consolidation and the formation of strategic relationships. Acquisitions or other consolidating transactions could harm us in a number of ways, including losing customers, revenue and market share, or forcing us to expend greater resources to meet new or additional competitive threats, all of which could harm our operating results. As competitors enter the market and become increasingly sophisticated, competition in our industry may intensify and place downward pressure on prices for our products and services, which could result in impairment of our asset values and negatively impact our profitability.

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We may not be able to accurately forecast our operating results and plan our operations due to uncertainties in the cannabis industry.

Because U.S. federal and state laws prevent widespread participation in and otherwise hinder market research in the medical and adult-use cannabis industry, the third-party market data available to us is limited and unreliable. Accordingly, we must rely largely on our own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. Our market research and projections of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of our management team as of the date of

this prospectus. A failure in the demand for our products to materialize as a result of competition, technological change or other factors could have a material adverse effect on our business, results of operations, financial condition or prospects.

We are subject to risks related to growing an agricultural product.

Our business involves the growing of cannabis, an agricultural product. Such business is subject to the risks inherent in the agricultural business, such as losses due to infestation by insects or plant diseases and similar agricultural risks. Although much of our growing is expected to be completed indoors, there can be no assurance that natural elements will not have a material adverse effect on our future production.

We are highly dependent on certain key personnel.

We depend on key managerial personnel, including James Cacioppo, our Chief Executive Officer and Chairman, for our continued success, and our anticipated growth may require additional expertise and the addition of new qualified personnel. Qualified individuals within the cannabis industry are in high demand and we may incur significant costs to attract and retain qualified management personnel, or be unable to attract or retain personnel necessary to operate or expand our business. The loss of the services of existing personnel or our failure to recruit additional key managerial personnel in a timely manner, or at all, could harm our business development programs and our ability to manage day-to-day operations, attract collaboration partners, attract and retain other employees, and generate revenues, and could have a material adverse effect on our business, financial condition and results of operations.

We face inherent risks of liability claims related to the use of our products.

As a distributor of products designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products cause or are alleged to have caused significant loss or injury. We may be subject to various product liability claims, including, among others, that our products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us, whether or not successful, could result in materially increased costs, adversely affect our reputation with our clients and consumers generally, and have a material adverse effect on our results of operations and financial condition.

We may become party to litigation from time to time in the ordinary course of business which could adversely affect our business. Should any litigation in which we become involved be determined against us, such a decision could adversely affect our ability to continue operating and the market price for the Subordinate Voting Shares. Even if we achieve a successful result in any litigation in which we are involved, the costs of litigation and redirection of our management's time and attention could have an adverse effect on our results of operations and financial condition.

Consumer preferences may change, and we may be unsuccessful in acquiring or retaining consumers and keeping pace with changing market developments. This could result in lower than expected demand for our products, which could adversely affect our revenues.

As a result of constantly changing consumer preferences, consumer products often attain financial success for a limited period of time. Even if our products achieve financial success, there can be no assurance that we are able to maintain that success or that those products will enable us to continue to be profitable. Our success will be significantly dependent upon our ability to develop new and improved product lines and adapt to consumer preferences. Even if we are successful in introducing new products or further developing our current products, the failure of those products to gain consumer acceptance or the failure to update our products in ways that our customers expect could cause a decline in our products' popularity and impair our brand. In addition, we may be required to invest significant amounts of capital in the creation of new product lines, brands, marketing campaigns, packaging and other product features—none of which are guaranteed to be successful. Failure to introduce new features and product lines and to achieve and sustain market acceptance, or our inability to satisfy consumer preferences, could adversely affect our ability to generate sufficient revenue in order to maintain profitability.

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The cannabis industry is in its early stages of development and it is likely that we, and our competitors, will seek to introduce new products in the future. We may not be successful in developing effective and safe new products, anticipating shifts in social trends and consumer demands, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on our business and results of operations.

Our medical marijuana business may be impacted by consumer perception of the cannabis industry, which we cannot control or predict.

We believe that the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of medical marijuana distributed to those consumers. Consumer perception of our products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for our products and our business, results of operations, financial condition and cash flows.

Product recalls could result in a material and adverse impact on our business, financial condition and results of operations.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although we have detailed procedures in place for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of our significant brands were subject to recall, the image of that brand and Jushi generally could be harmed. Any recall could lead to decreased demand for our products and could have a material adverse effect on our results of operations and financial condition. Additionally, product recalls may lead to increased scrutiny of our operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business or our market, our share price and trading volume could decline.

The trading market for our Subordinate Voting Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business, our market or our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Subordinated Voting Shares or publish inaccurate or unfavorable research about our business or industry, the trading price of our shares would likely decline. In addition, if our operating results fail to meet the forecast of analysts, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our shares could decrease, which might cause our share price and trading volume to decline.

We are subject to security risks related to our products as well as our information and technology systems.

Given the nature of our product and its limited legal availability, we are at significant risk of theft at our facilities. We implement security measures to counteract this threat, but there is no guarantee that these measures will be sufficient. A breach of our security measures at one of our facilities could expose us to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing our products.

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In addition, we collect and store personal information about our patients and we are responsible for protecting that information from privacy breaches. We store certain personally identifiable information and other confidential information of our customers on our systems and applications. Though we maintain robust, proprietary security protocols, we may experience attempts by third parties to obtain unauthorized access to the personally identifiable information and other confidential information of our customers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personally identifiable information and other confidential information could have a material adverse impact on our business, financial condition and results of operations.

A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly patient lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on our business, financial condition and results of operations.

Our operations depend and will depend, in part, on how well we protect our networks, equipment, information technology, or IT, systems and software against damage from a number of threats, including, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Our operations also depend and will continue to depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as preemptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations.

We have a substantial level of indebtedness, and we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. The terms of our indebtedness may also impair our ability to respond to changing business and economic conditions and may seriously harm our business.

We had \$158.8 million of indebtedness, excluding leases and property, plant, and equipment financing obligations of \$6.7 million, as of March 31, 2022. We have incurred significant indebtedness under our 10% Senior Secured Notes, Acquisition Facility (as defined herein) and certain acquisition-related promissory notes to fund working capital and other cash needs and to fund acquisitions. We expect to incur additional indebtedness in the future, particularly if we use remaining borrowing availability under the Acquisition Facility to finance all or a portion of any future acquisitions.

Our debt service cost for the 10% Senior Secured Notes is approximately \$1.9 million per calendar quarter and our debt service cost for the Acquisition Facility is approximately \$1.6 million per calendar quarter (and, following the first quarter of 2024, will increase in connection with certain amortization payments we are required to make). The 10% Senior Secured Notes and the Acquisition Facility are secured by all material assets and owned equity of the Company and certain of its wholly-owned direct and indirect subsidiaries, subject to certain exclusions including cannabis, cannabis-related, hemp and hemp-related permits and licenses, most real property, accounts receivable, inventory, and assets and equity interests that cannot be collateralized pursuant to law or contractual obligation.

In addition, the terms of our existing debt instruments require, and any debt instruments we enter into in the future may require, that we comply with certain restrictions and covenants. These covenants and restrictions, as well as any significant increase in our indebtedness, could adversely impact us for a number of reasons, including:

- resulting in an event of default if we fail to satisfy our obligations under our outstanding debt or fail to comply with the financial or other restrictive covenants contained in the agreements governing our other indebtedness, which event of default could result in all of our debt becoming immediately due and payable and could permit our lenders and noteholders to foreclose on the assets securing any such debt;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure that we will generate a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

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If our cash flows and capital resources are insufficient to fund our debt service obligations or if we are unable to refinance existing indebtedness on favorable terms, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and thus render us unable to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations, the terms of our debt instruments may prohibit such dispositions. We may not otherwise be able to consummate those dispositions or be able to obtain the proceeds which we could realize from them and any such proceeds received may not be adequate to meet any debt service obligations then due, which would seriously harm our business and prospects.

We are subject to labor risks and a dispute with our employees or labor unions could have an adverse effect on our results of operations.

Labor unions are working to organize workforces in the cannabis industry in general. As of June 30, 2022, approximately 119 of our employees are covered by collective bargaining agreements with labor unions, and it is possible that employees in certain other facilities or dispensaries will be organized in the future, which could lead to work stoppages or increased labor costs and adversely affect our business, profitability and our ability to reinvest into the growth of our business. Labor unions may also limit our flexibility in dealing with our workforce. Work stoppages and instability in our union relationships could delay the production and sale of our products, which could strain relationships with customers and cause a loss of revenues which would adversely affect our operations.

Reliance on Third-Party Suppliers, Manufacturers and Contractors; Reliance on Key Inputs

The Company's business is dependent on a number of key inputs from third-parties and their related costs including raw materials and supplies related to its cultivation and manufacturing operations, as well as electricity, water and other local utilities. Due to the uncertain regulatory landscape for regulating cannabis in the U.S., the Company's third-party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for the Company's operations. Any significant interruption

or negative change in the availability or economics of the supply chain for key inputs from third-parties could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers in the future. If the Company becomes reliant upon a sole source supplier and that supplier was to go out of business or suspend services, the Company might be unable to find a replacement for such source in a timely manner or at all. Similarly, if any future sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Additionally, any supplier could at any time suspend or withdraw services. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

We rely on key utility services.

Our business is dependent on a number of key inputs and their related costs, including raw materials and supplies related to our growing operations, as well as electricity, water and other local utilities. Our cannabis growing operations consume and will continue to consume considerable energy, which makes us vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may, in the future, adversely impact our business and our ability to operate profitably. Additionally, any significant interruption or negative change in the availability or economics of the supply chain for our key inputs could materially impact our business, financial condition and operating results. If we are unable to secure required supplies and services on satisfactory terms, it could have a materially adverse impact on our business, financial condition and operating results.

Inflation could pose a risk to our business.

A continued upward rate of inflation could influence the profits that we generate from our business. When the rate of inflation rises, the operational costs of running our company also increases, such as labor costs, raw materials and public utilities, thus affecting our ability to provide our services at competitive prices. An increase in the rate of inflation could force our customers to search for other products, causing us to lose business and revenue.

Risks Related to the Regulatory Environment

Cannabis is illegal under U.S. federal law.

In the U.S., cannabis is largely regulated at the state level. Each state in which we operate (or are currently proposing to operate) authorizes, as applicable, medical and/or adult-use cannabis production and distribution by licensed or registered entities, and numerous other states have legalized adult-use of cannabis in some form. However, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminalized under the Controlled Substances Act (CSA). Cannabis is a Schedule I controlled substance under the CSA, and is thereby deemed to have a high potential for abuse, no accepted medical use in the U.S., and a lack of safety for use under medical supervision. The concepts of "medical cannabis," "retail cannabis" and "adult-use cannabis" do not exist under U.S. federal law. Although we believe that our business activities are compliant with applicable state and local laws in the U.S., strict compliance with state and local cannabis laws would not provide a defense to any federal proceeding which may be brought against us. Any such proceedings may result in a material adverse effect on us. We derive 100% of our revenues from the cannabis industry. The enforcement of applicable U.S. federal laws poses a significant risk to us.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens. We may also be subject to criminal charges under the CSA, and if convicted could face a variety of penalties including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Any of these penalties could have a material adverse effect on our reputation and ability to conduct our business, our holding (directly or indirectly) of medical and adult-use cannabis licenses in the U.S., our financial position, operating results, profitability or liquidity or the market price of our publicly-traded shares. In addition, it is difficult for us to estimate the time or resources that would be needed for the investigation, settlement or trial of any such proceedings or charges, and such time or resources could be substantial.

The regulation of cannabis in the U.S. is uncertain.

Our activities are subject to regulation by various state and local governmental authorities. Our business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals necessary for the sale of our products in the jurisdictions in which we operate. Any delays in obtaining or failure to obtain necessary regulatory approvals would significantly delay our development of markets and products, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, although we believe that our operations are currently carried out in accordance with all applicable state and local rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail our ability to distribute or produce marijuana. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of marijuana, or more stringent implementation thereof could have a substantial adverse impact on us.

Government inquiries and investigations could harm our business or reputation.

As the regulatory framework for cannabis continues to evolve in the U.S., government officials often exercise broad discretion in deciding how to interpret and apply applicable local, state and federal laws or regulations. In the future, we may receive formal and informal inquiries from or become subject to investigations by various governmental regulatory authorities regarding our business and compliance with federal, state and local laws, regulations, or standards. Any determination or allegation that our products, operations or activities, or the activities of our employees, contractors or agents, are not in compliance with existing laws, regulations or standards, could adversely affect our business in a number of ways. Even if such inquiries or investigations do not result in the imposition of fines, interruptions to our business, loss of suppliers or other third-party relationships, terminations of necessary licenses and permits, the existence of those inquiries or investigations alone could create negative publicity that could harm our business or reputation.

We are constrained by law in our ability to market our products in the jurisdictions in which we operate.

State and local jurisdictions enforce extensive and detailed requirements applicable to cannabis products in their jurisdiction. In addition, the Federal Trade Commission (the FTC) regulates advertising of consumer products generally, imposes requirements regarding the use and content of testimonials and endorsements, and also requires that advertising claims be adequately substantiated. As such, our brand and portfolio of products must be specifically tailored, and our marketing activities carefully structured, to comply with the state and local regulations, as well as the FTC's rules and regulations. These restrictions may preclude us from effectively marketing our products and competing for market share, or impose costs on us that cannot be absorbed through increased selling prices for our products.

Anti-Money Laundering Laws in the U.S. may limit access to funds from banks and other financial institutions.

In February 2014, the Treasury Department Financial Crimes Enforcement Network (FinCEN) issued guidance (which is not law) with respect to financial institutions providing banking services to cannabis businesses, including burdensome due diligence expectations and reporting requirements. While the guidance advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses, so long as they meet certain conditions, this guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the U.S. Department of Justice (the DOJ), FinCEN, or other federal regulators. Because of this and the fact that the guidance may be amended or revoked at any time, most banks and other financial institutions have not been willing to provide banking services to cannabis-related businesses. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, we may have limited or no access to banking or other financial services in the U.S., and may have to operate our U.S. business on an all-cash basis. If we are unable or limited in our ability to open or maintain bank accounts, obtain other banking services or accept credit

card and debit card payments, it may be difficult for us to operate and conduct our business as planned. Although, we are actively pursuing alternatives that ensure our operations will continue to be compliant with the FinCEN guidance (including requirements related to disclosures about cash management and U.S. federal tax reporting), we may not be able to meet all applicable requirements.

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We are also subject to a variety of laws and regulations in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S.

In the event that any of our operations or related activities in the U.S. were found to be in violation of money laundering legislation or otherwise, those transactions could be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends or effect other distributions.

The re-classification of cannabis or changes in U.S. controlled substance laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

If cannabis is re-classified as a Schedule II or lower controlled substance under the CSA, the ability to conduct research on the medical benefits of cannabis would most likely be more accessible; however, if cannabis is re-classified as a Schedule II or lower controlled substance, the resulting re-classification would result in the need for approval by the U.S. Food and Drug Administration (the FDA) if medical claims are made about our medical cannabis products. As a result of such a re-classification, the manufacture, importation, exportation, domestic distribution, storage, sale and use of such products could become subject to a significant degree of regulation by the U.S. Drug Enforcement Administration (the DEA). In that case, we may be required to be registered to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. Obtaining the necessary registrations may result in delay of the manufacturing or distribution of our products. The DEA conducts periodic inspections of registered establishments that handle controlled substances. Failure to maintain compliance could have a material adverse effect on our business, financial condition and results of operations. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to restrict, suspend or revoke those registrations. In certain circumstances, violations could lead to criminal proceedings.

Potential regulation by the FDA could have a material adverse effect on our business, financial condition and results of operations.

Should the U.S. federal government legalize cannabis, it is possible that the FDA would seek to regulate it under the Food, Drug and Cosmetics Act of 1938. Additionally, the FDA may issue rules and regulations, including good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety of our medical cannabis products. It is also possible that the FDA would require that facilities where medical-use cannabis is grown register with the agency and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact on the cannabis industry is uncertain and could include the imposition of new costs, requirements, and prohibitions. If we are unable to comply with the regulations or registration as prescribed by the FDA, it may have an adverse effect on our business, operating results, and financial condition.

We could be materially adversely impacted due to restrictions under U.S. border entry laws.

Because cannabis remains illegal under U.S. federal law, those investing in Canadian companies with operations in the U.S. cannabis industry could face detention, denial of entry or lifetime bans from the U.S. as a result of their business associations with U.S. cannabis businesses. Entry into the U.S. happens at the sole discretion of U.S. Customs and Border Patrol (CBP) officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a non-U.S. citizen or foreign national. The government of Canada has warned travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal law, could mean denial of entry to the U.S. Business or financial involvement in the cannabis industry in the U.S. could also be reason enough for denial of entry into the U.S. On September 21, 2018, the CBP released a statement outlining its current position with respect to enforcement of the laws of the U.S. It stated that Canada's legalization of cannabis will not change CBP enforcement of U.S. laws regarding controlled substances. According to the statement, because cannabis continues to be a controlled substance under U.S. law, working in or facilitating the proliferation of the marijuana industry in U.S. states where it is legal under state law may affect admissibility to the U.S. On October 9, 2018, the CBP released an additional statement regarding the admissibility of Canadian citizens working in the legal cannabis industry in Canada. CBP stated that a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada who seeks to come into the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if such person is found to be coming into the U.S. for reasons related to the cannabis industry, such person may be deemed inadmissible. As a result, the CBP has affirmed that employees, directors, officers and managers of and investors in companies involved in business activities related to cannabis in the U.S. (such as Jushi), who are not U.S. citizens face the risk of being barred from entry into the U.S. for life.

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As a cannabis company, we may be subject to heightened scrutiny in Canada and the U.S. that could materially adversely impact the liquidity of the Subordinate Voting Shares.

Our existing operations in the U.S., and any future operations, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the U.S. and Canada.

Given the heightened risk profile associated with cannabis in the U.S., The Canadian Depository of Securities (CDS) may implement procedures or protocols that would prohibit or significantly impair the ability of CDS to settle trades for companies that have cannabis businesses or assets in the U.S.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, the parent company of CDS, announced the signing of a Memorandum of Understanding, which we refer to as the TMX MOU, with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no assurances given that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of the Subordinate Voting Shares to settle trades. In particular, the Subordinate Voting Shares would become highly illiquid until an alternative was implemented and investors would have no ability to effect a trade of the Subordinate Voting Shares through the facilities of a stock exchange.

We may not be able to locate and obtain the rights to operate at preferred locations.

In Massachusetts and other states, the local municipality has authority to choose where any cannabis establishment will be located. These authorized areas are frequently removed from other retail operations. Because the cannabis industry remains illegal under U.S. federal law, the disadvantaged tax status of businesses deriving their income

from cannabis, and the reluctance of the banking industry to support cannabis businesses, it may be difficult for us to locate and obtain the rights to operate at various preferred locations. Property owners may violate their mortgages by leasing to us, and those property owners that are willing to allow use of their facilities may require payment of above fair market value rents to reflect the scarcity of such locations and the risks and costs of providing such facilities.

As a cannabis business, we are subject to certain tax provisions that have a material adverse effect on our business, financial condition and results of operations.

Under Section 280E of the U.S. Internal Revenue Code of 1986, as amended (the Code) “no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted.” This provision has been applied by the IRS to cannabis operations, prohibiting companies engaged in such operations from deducting expenses directly associated with the sale of cannabis. Section 280E of the Code may have a lesser impact on cannabis cultivation and manufacturing operations than on sales operations. Section 280E of the Code and related IRS enforcement activity has had a significant impact on the operations of cannabis companies. As a result of Section 280E of the Code, an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

We may not have access to U.S. bankruptcy protections available to non-cannabis businesses.

Because cannabis is a Schedule I controlled substance under the CSA, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to be made whole on their investments in the cannabis industry in the event of a bankruptcy. If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to us, which would have a material adverse effect on us and may make it more difficult for us to obtain debt financing.

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There is doubt regarding our ability to enforce contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at a federal level in the U.S., judges in multiple states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate U.S. federal law, even if there is no violation of state law. There remains doubt and uncertainty that we will be able to legally enforce our contracts. If we are unable to realize the benefits of or otherwise enforce the contracts into which we enter, it could have a material adverse effect on our business, financial condition and results of operations.

We are subject to limits on our ability to own the licenses necessary to operate our business, which will adversely affect our ability to grow our business and market share in certain states.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person or entity may own in that state. For example, in Massachusetts, no person or entity may have an ownership interest in, or control over, more than three medical licenses or three adult-use licenses in any category, which include cultivation, product manufacturing, transport or retail. Such limitations on the acquisition of ownership of additional licenses within certain states may limit our ability to grow organically or to increase our market share in affected states.

We may not be able to adequately protect our intellectual property.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance under the CSA, the benefit of certain federal laws and protections that may be available to most businesses, such as federal trademark and patent protection, may not be available to us. As a result, our intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, we can provide no assurance that we will ever obtain any protection for our intellectual property, whether on a federal, state or local level.

Our property is subject to risk of civil asset forfeiture.

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry that is either used in the course of conducting or comprises the proceeds of a cannabis business could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal process, it could become subject to forfeiture.

We may be at a higher risk of IRS audit.

We believe there is a greater likelihood that the Internal Revenue Service will audit the tax returns of cannabis-related businesses. Any such audit of our tax returns could result in our being required to pay additional tax, interest and penalties, as well as incremental accounting and legal expenses, which could be material.

We may be unable to obtain adequate insurance coverage.

We have obtained insurance coverage with respect to workers' compensation, general liability, directors' and officers' liability, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because we are engaged in and operate within the cannabis industry, there are exclusions and additional difficulties and complexities associated with our insurance coverage that could cause us to suffer uninsured losses, which could adversely affect our business, results of operations, and profitability. There is no assurance that we will be able to obtain insurance coverage at a reasonable cost or fully utilize such insurance coverage, if necessary.

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We could be subject to criminal prosecution or civil liabilities under RICO.

RICO criminalizes the use of any profits from certain defined “racketeering” activities in interstate commerce. While intended to provide an additional cause of action against organized crime, due to the fact that cannabis is illegal under U.S. federal law, the production and sale of cannabis qualifies cannabis related businesses as “racketeering” as defined by RICO. As such, all officers, managers and owners in a cannabis related business could be subject to criminal prosecution under RICO, which carries substantial criminal penalties.

RICO can create civil liability as well: persons harmed in their business or property by actions which would constitute racketeering under RICO often have a civil cause of action against such “racketeers,” and can claim triple their amount of estimated damages in attendant court proceedings. Jushi or its subsidiaries, as well as its officers, managers and owners could all be subject to civil claims under RICO.

Risks Related to Owning Jushi's Subordinate Voting Shares

Return on Subordinate Voting Shares is not guaranteed.

There is no guarantee that the Subordinate Voting Shares will earn any positive return in the short-term or long-term. A holding of Subordinate Voting Shares is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Subordinate Voting Shares is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Raising additional capital may cause dilution to our shareholders.

Until such time, if ever, as we can generate substantial revenue, we may finance our cash needs through a combination of equity offerings, debt financings, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or other sources. We do not currently have any committed external source of funds. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate product candidate development or future commercialization efforts.

Sales of substantial amounts of Subordinate Voting Shares by our existing shareholders in the public market may have an adverse effect on the market price of the Subordinate Voting Shares.

Sales of a substantial number of Subordinate Voting Shares in the public market could occur at any time. These sales, or the perception in the market that holders of a large number of shares intend to sell shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Subordinate Voting Shares. As of June 30, 2022, we have an aggregate of 194,653,132 Subordinate Voting Shares issued and outstanding (excluding securities convertible into or exercisable for Subordinate Voting Shares). A decline in the market prices of the Subordinate Voting Shares could impair our ability to raise additional capital through the sale of securities should we desire to do so.

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The market price for the Subordinate Voting Shares has been and is likely to continue to be volatile.

The market price for the Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond our control, including, but not limited to, the following: (i) actual or anticipated fluctuations in our quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the cannabis industry; (iv) additions or departures of our executive officers and other key personnel; (v) release or expiration of transfer restrictions on our issued and outstanding shares; (vi) regulatory changes affecting the cannabis industry generally and our business and operations; (vii) announcements by us and our competitors of developments and other material events; (viii) fluctuations in the costs of vital production materials and services; (ix) changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility; (x) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; (xi) operating and share price performance of other companies that investors deem comparable to us or from a lack of market comparable companies; (xii) false or negative reports issued by individuals or companies who have taken aggressive short sale positions; and (xiii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have experienced significant price and volume fluctuations that have affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of those companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if our operating results, underlying asset values or prospects have not changed.

These factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely impacted, and the trading price of the Subordinate Voting Shares could be materially adversely affected.

There may not be sufficient liquidity in the markets for our Subordinate Voting Shares.

Our Subordinate Voting Shares are listed for trading on the CSE under the trading symbol "JUSH" and quoted on the OTCQX Best Market under the symbol "JUSHF." The liquidity of any market for the shares of our Subordinate Voting Shares will depend on a number of factors, including:

- the number of shareholders;
- our operating performance and financial condition;
- the market for similar securities;
- the extent of coverage by securities or industry analysts; and
- the interest of securities dealers in making a market in the shares.

There can be no assurance that an active trading market for the Subordinate Voting Shares, will be sustained.

We will be subject to increased costs as a result of being a U.S. reporting company.

As a public issuer, we are subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which our securities may be listed from time to time. In addition, following the effectiveness of the registration statement of which this prospectus forms a part, we will become subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on our personnel, systems and resources, which could adversely affect our business, financial condition, and results of operations.

The provisions of our articles of incorporation requiring exclusive forum in the courts of the province of British Columbia and appellate courts therefrom for certain disputes may have the effect of discouraging lawsuits against us or our directors and officers.

Pursuant to section 28 of our articles of incorporation, unless we approve or consent in writing to the selection of an alternative forum, the courts of the province of British Columbia and appellate courts therefrom shall be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of our Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of our Company to our Company, (c) any action asserting a claim arising pursuant to any provision of the *Business Corporations Act (British Columbia)* or the notice of articles or articles of our Company (as either may be amended from time to time); or (d) any action asserting a claim otherwise related to the relationships among our Company, its affiliates and their respective shareholders, directors and/or officers, but this does not include claims related to the business carried on by our Company or such affiliates; *provided however* it is uncertain whether such provision would apply to actions arising under U.S. federal securities laws, and if it does, whether a British Columbia Court would enforce such provision since in accordance with Section 27 of the Exchange Act, United States federal courts shall have jurisdiction over all suits and any action brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and that in accordance with Section 22 of the Securities Act, United States federal and state courts shall have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

The choice of forum provision may limit the ability of our shareholders to bring a claim in a forum that they find favorable for disputes with us or our directors, officers or other employees, and may discourage such lawsuits. If a British Columbia court ruled the choice of forum provision was inapplicable or unenforceable in an action, we may incur additional costs to resolve such action in other jurisdictions. Our shareholders will not be deemed, by operation of the choice of forum provision, to have waived our obligation to comply with all applicable United States federal securities laws and the rules and regulations thereunder.

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We are an “emerging growth company” and will be able take advantage of reduced disclosure requirements applicable to emerging growth companies, which could make our Subordinate Voting Shares less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act) and, for as long as we continue to be an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed \$1.07 billion, (ii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period.

We intend to take advantage of these reporting exemptions described above until we are no longer an emerging growth company. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We cannot predict if investors will find our Subordinate Voting Shares less attractive if we choose to rely on these exemptions. If some investors find our Subordinate Voting Shares less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Subordinate Voting Shares and the price of our Subordinate Voting Shares may be more volatile.

Our internal controls over financial reporting may not be effective, and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

We are not currently required to maintain an effective system of internal controls as defined by Section 404 of the Sarbanes-Oxley Act. As a U.S. public company, we will be required to evaluate our internal controls over financial reporting following the applicable phase-in period. When we cease to be an “emerging growth company” as defined by the JOBS Act, we will also be required to comply with the auditor attestation requirements of Section 404. As of the date of this prospectus, we have not completed an assessment, nor has our independent registered public accounting firm tested our systems of internal controls. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows.

We have identified material weaknesses in our internal control over financial reporting which, if not corrected, could affect the reliability of our consolidated financial statements and have other adverse consequences.

In connection with the audit of our financial statements as of and for the years ended December 31, 2021 and 2020 and in the process of preparing our financial statements as of and for the three months ended March 31, 2022, the following material weaknesses in our internal control over financial reporting were identified: (i) insufficient accounting resources, inadequate level of precision in the performance of review controls, or effective communication, as it relates to: financial reporting, accounting and valuation for complex financial instruments, inventory, property plant and equipment, accruals, accounting for impairment and business combinations; and (ii) insufficient information technology general controls, as it relates to user access controls, change management, passwords, access controls reviews, backup and cybersecurity vulnerability.

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

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Our management is in the process of developing a remediation plan. The material weaknesses will be considered remediated when our management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. Our management will monitor the effectiveness of its remediation plans and will make changes management determines to be appropriate.

If not remediated, these material weaknesses could result in material misstatements to our annual or interim consolidated financial statements that might not be prevented or detected on a timely basis, or in delayed filing of required periodic reports, which may adversely affect investor confidence in us and, as a result, our share price.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the Subordinate Voting Shares by the selling shareholders. To the extent exercised for cash, we will receive the applicable exercise price for any options exercised for shares that may be sold in this offering. We will not receive any proceeds from the exercise of any of such options that are exercised on a net or “cashless” basis in accordance with their terms.

DIVIDEND POLICY

We have not declared dividends or distributions on Subordinate Voting Shares in the past. In addition, the Note Indenture governing the 10% Senior Secured Notes and the Acquisition Facility, as defined and described in more detail under the heading “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Indebtedness*,” contains covenants that, among other things, limit our ability to declare or pay dividends or make certain other payments. We currently intend to reinvest all future earnings to finance the development and growth of our business. As a result, we do not intend to pay dividends on Subordinate Voting Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends (including the Note Indenture) and any other factors that the board of directors deems relevant. Other than the Note Indenture or the Acquisition Facility, we are not bound or limited in any way to pay dividends in the event that the board of directors determined that a dividend was in the best interest of our shareholders.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. In some cases, you can identify these statements by forward-looking words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Any statements contained in this prospectus that are not statements of historical facts may be deemed to be forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, results of operations and future growth prospects.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of the date they are made and are based on information currently available and on the then-current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the performance of our business and operations; the receipt and/or maintenance by us of required licenses and permits in a timely manner or at all; the intention to grow our business and operations; the expected growth in the number of the people using medical and/or adult-use cannabis products; expectations of market size and growth in the U.S.; the competitive conditions and increasing competition of the cannabis industry; applicable laws, regulations and any amendments thereof; our competitive and business strategies; our operations in the U.S., the characterization and consequences of those operations under federal U.S. law, and the framework for the enforcement of medical and adult-use cannabis and cannabis-related offenses in the U.S.; the completion of additional cultivation and production facilities; the general economic, financial market, regulatory and political conditions in which we operate; the U.S. regulatory landscape and enforcement related to cannabis, including political risks; anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; U.S. border entry; heightened scrutiny of cannabis companies in Canada and the U.S.; the enforceability of contracts; reliance on the expertise and judgment of our senior management; proprietary intellectual property and potential infringement by third parties; the concentration of voting control in certain shareholders and the unpredictability caused by our capital structure; the management of growth; risks inherent in an agricultural business; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption, including potential product recalls; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada; security risks; risks related to future acquisitions or dispositions; sales by existing shareholders; limited research and data relating to cannabis; the medical benefits, viability, safety, efficacy and social acceptance of cannabis; the availability of financing opportunities, the ability to make payments on existing indebtedness; risks associated with economic, political and social conditions; risks related to contagious disease, particularly COVID-19; dependence on management; and other risks described in this prospectus and described from time to time in documents filed by us with the SEC.

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The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning: (i) receipt and/or maintenance of required licenses and third party consents; and (ii) the success of our operations, are based on estimates prepared by us using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry that we believe to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While we are not aware of any misstatement regarding any industry or government data presented herein, the current marijuana industry involves risks and uncertainties and are subject to change based on various factors. Although we believe that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements contained herein because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks described above and other factors beyond our control, as more particularly described under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus. Consequently, all forward-looking statements made in this prospectus are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on us. The cautionary statements contained or referred to in this prospectus should be considered in connection with any subsequent written or oral forward-looking statements that we and/or persons acting on our behalf may issue. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus is a part completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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DILUTION

We are not selling any Subordinate Voting Shares in this offering; however, if you purchase Subordinate Voting Shares in this offering, your ownership interest will be diluted to the extent of the difference between the public offering price paid per Subordinate Voting Share sold in this offering and our net tangible book value per Subordinate Voting

Share after this offering. Dilution results from the fact that the public offering price per Subordinate Voting Share is substantially in excess of the net tangible book value per share attributable to the existing shareholders for our presently outstanding shares. Our net tangible book value per share represents the amount of our total tangible assets (total assets less intangible assets) less total liabilities, divided by the number of shares issued and outstanding.

As at March 31, 2022, we had a historical negative net tangible book value of \$58.2 million, or \$(0.31) per share, based on 189,728,625 shares outstanding as at such date. Dilution is calculated by subtracting net tangible book value per share from the public offering price paid per Subordinate Voting Share in this offering. Because the selling shareholders may sell or otherwise dispose of the Subordinate Voting Shares covered by this prospectus in a number of different ways and at varying prices, the amount of dilution will vary depending on the price paid for any such shares sold in this offering.

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CAPITALIZATION

The following table provides our cash and cash equivalents (excluding restricted cash) and our capitalization as of March 31, 2022. You should read this table together with our consolidated financial statements and related notes appearing at the end of this prospectus and the sections of this prospectus titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Description of Capital Stock*.”

	March 31, 2022
	(in thousands)
Cash and cash equivalents	\$ 75,717
Debt	
10% Senior Notes	\$ 74,935
Acquisition Facility	40,000
Acquisition-related promissory notes payable	35,614
Other debt	14,965
Total debt - principal amounts	\$ 165,514
Less: debt issuance costs and original issue discounts	(22,542)
Total debt - carrying amounts	\$ 142,972
Finance lease liabilities	101,736
Total debt and finance leases	\$ 244,708
Shareholders’ equity:	
Common stock, no par value; 189,728,625 issued and outstanding	\$ —
Additional paid-in capital	456,719
Accumulated loss	(262,175)
Total Jushi shareholders’ equity	\$ 194,544
Non-controlling interests	(1,387)
Total equity	\$ 193,157
Total capitalization	\$ 437,865

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SELLING SHAREHOLDERS

This prospectus relates to the possible resale by the Selling Shareholders of up to 49,501,685 Subordinate Voting Shares consisting of (i) 466,800 Subordinate Voting Shares purchased on the Canadian public markets, (ii) 8,491,952 Subordinate Voting Shares issuable upon exercise of outstanding options issued under the Company’s equity plan, (iii) 80,600 Subordinate Voting Shares issued upon the exercise of options issued under the Company’s equity plan, (iv) 1,538,326 Subordinate Voting Shares issued as restricted stock awards under the Company’s equity plan, (v) 548,468 Subordinate Voting Shares issued upon exercise of warrants issued in connection with services rendered to the Company; (vi) 1,688,110 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in connection with services provided to the Company; (vii) 8,211,555 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in connection with the Company’s 10% Senior Secured Notes; (viii) 11,575,000 Subordinate Voting Shares issuable upon exercise of outstanding warrants issued in private placement transactions; and (ix) 16,900,874 Subordinate Voting Shares issued in private placement and acquisition transactions. The Selling Shareholders may from time to time offer and sell any or all of the Subordinate Voting Shares set forth below pursuant to this prospectus. When we refer to the “Selling Shareholders” in this prospectus, we mean the persons listed in the table below, and the pledgees, donees, transferees, assignees, successors and other successors-in-interest who later come to hold any of the Selling Shareholders’ interest in the Subordinate Voting Shares other than through a public sale.

The following table sets forth, based on information currently known by us as of July 6, 2022, (i) the number of Subordinate Voting Shares held of record or beneficially by the Selling Shareholders as of such date (as determined below), (ii) the number of Subordinate Voting Shares that may be offered under this prospectus by the Selling Shareholders and (iii) any material relationships the Selling Shareholders may have had with us within the past three years. The beneficial ownership of the Subordinate Voting Shares set forth in the following table is determined in accordance with Rule 13d-3 under the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under Rule 13d-3, beneficial ownership includes any shares as to which the selling securityholders have sole or shared voting power or investment power and also any shares which each Selling Shareholder, respectively, has the right to acquire within 60 days of July 6, 2022 through the exercise of any stock option, warrant or other rights. The applicable percentage ownership for each Selling Shareholder listed below is based upon 195,542,012 Subordinate Voting Shares outstanding as of July 6, 2022.

We cannot advise you as to whether the Selling Shareholders will in fact sell any or all of such Subordinate Voting Shares. In addition, the Selling Shareholders may sell, transfer or otherwise dispose of, at any time and from time to time, the Subordinate Voting Shares in transactions exempt from the registration requirements of the Securities Act after the date of this prospectus. A Selling Shareholder may sell all, some or none of such shares in this offering. See “Plan of Distribution.”

Unless otherwise indicated in the footnotes below, the address of each Selling Shareholder is c/o Jushi Holdings Inc., 301 Yamato Road, Suite 3250, Boca Raton, FL 33431.

Name of Selling Shareholder	Subordinate Voting Shares Owned before the Offering ⁽¹⁾	Subordinate Voting Shares to be Offered for the Selling Shareholder's Account ⁽²⁾	Subordinate Voting Shares Owned by the Selling Shareholder after the Offering	Percent of Subordinate Voting Shares to be Owned by the Selling Shareholder after the Offering
James Cacioppo ⁽³⁾	35,313,467	37,313,467	—	—
Louis Jon Barack ⁽⁴⁾	5,448,107	1,793,000	4,321,773	2.2%
Edward Kremer ⁽⁵⁾	0	500,000	—	*
Leonardo Garcia-Berg ⁽⁶⁾	100,000	600,000	—	*
Benjamin Cross ⁽⁷⁾	419,080	60,000	359,080	*
Stephen Monroe ⁽⁸⁾	227,636	73,952	153,684	*
Peter Adderton ⁽⁹⁾	169,080	60,000	109,080	*
Marina Hahn ⁽¹⁰⁾	37,301	20,000	17,301	*
Meanwhile Productions, LLC	613,622	350,000	263,622	*
Navy Capital Green Co-Investment Fund, LLC	3,272,037	872,037	2,400,000	1.2 %
Navy Capital Green Fund, LP	2,131,518	381,518	1,750,000	*
Ken Rosen and Lisa Rosen	2,269,900	750,000	1,519,900	*
MM-LEC Holdings, LLC	1,439,618	250,000	1,189,618	*
Gabriel Cohen	80,600	80,600	—	*
Todd Green	187,877	5,952	181,925	*
Green Ache'rs Consulting Limited	316,623	316,623	—	*
Verdant Nevada LLC	211,081	211,081	—	*
NuLeaf Capital Investors Group LLC	2,564,306	2,564,306	—	*
NuLeaf CLV Capital Investors LLC	488,890	488,890	—	*
Etienne Fontan	874,324	874,324	—	*
Timothy Schick	874,324	874,324	—	*
Sean Luse	749,421	749,421	—	*
Greenvision LLC	101,082	101,082	—	*
Colin Braid ⁽¹¹⁾	102,000	58,000	44,000	*
Canaccord Genuity Corp. ⁽¹²⁾	670,201	153,108	517,093	*

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* Less than 1%.

(1) The number of subordinate voting shares owned prior to the offering and that may be offered for resale includes 1,538,326 shares of common stock issuable upon settlement of restricted stock awards where settlement remains contingent upon satisfaction of vesting conditions.

(2) Includes subordinate voting shares underlying unvested stock options.

(3) Consists of: (i) 4,619,627 subordinate voting shares, 5,385,000 subordinate voting shares underlying stock options and 5,000,002 subordinate voting shares underlying warrants held by Mr. Cacioppo; (ii) 2,500,000 subordinate voting shares and 4,000,000 subordinate voting shares underlying warrants held by OEP Opportunities, L.P.; (iii) 1,400,000 subordinate voting shares and 2,775,000 subordinate voting shares underlying warrants held by One East Capital Advisors, LP; (iv) 2,603,350 subordinate voting shares and 4,175,000 subordinate voting shares underlying warrants held by One East Partners LP; (v) 795,488 subordinate voting shares held by ST2 LLC; (vi) 160,000 subordinate voting shares underlying warrants issued to One East Management Services, LLC; (vii) 3,000,000 subordinate voting shares underlying warrants issued to Serpentine Capital Management Fund II, LLC; and (viii) 900,000 subordinate voting shares underlying warrants issued to JAC Serpentine, LLC. Mr. Cacioppo directly or beneficially owns and controls each of the foregoing entities. Mr. Cacioppo is our Chief Executive Officer and Chairman.

(4) Mr. Barack is our President and Corporate Secretary.

(5) Mr. Kremer is our Chief Financial Officer.

(6) Mr. Garcia-Berg is our Chief Operations Officer.

(7) Mr. Cross is a member of our Board.

(8) Mr. Monroe is a director.

(9) Mr. Adderton is a member of our Board.

(10) Ms. Hahn is a director.

(11) Held by Canaccord Genuity Corp. in trust for Mr. Braid.

(12) Consists of (i) 365,000 subordinated voting shares held of record by Canaccord Genuity Corp., (ii) 12,738 vested warrants exercisable for subordinated voting shares held of record by Canaccord Genuity Corp. and (iii) 292,463 subordinated voting shares held for the benefit of an employee. Such selling shareholder disclaims beneficial ownership of 292,463 of such shares held for the benefit of an employee of the Company. Such selling shareholder is affiliated with Canaccord Genuity LLC, a registered broker-dealer. Canaccord Genuity LLC and affiliates have provided investment banking services to the Company from time to time.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with "Summary Consolidated Financial Data," and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including but not limited to those described in the "Risk Factors" section of this prospectus. Actual results may differ materially from those contained in any forward-looking statements. You should read "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" contained in this prospectus.

Company Overview

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. Our management team is focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license jurisdictions. We have targeted assets in highly populated, limited licensed medical markets on a trajectory toward adult-use legalization, including Pennsylvania and Ohio, markets that are in the process of transitioning to adult-use, namely Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada and Massachusetts, and certain municipalities of California.

Refer to the “Business” section and to our consolidated financial statements and the related notes included elsewhere in this prospectus for additional information about us and recent developments.

Factors Affecting our Performance and Related Trends

COVID-19

The COVID-19 pandemic has severely restricted the level of economic activity around the world, including where we operate in the United States. In response to the COVID-19 pandemic the governments of many countries, states, provinces, municipalities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations, ordering temporary closures of businesses and advising or requiring individuals to limit or forego their time outside of their homes. Numerous businesses have temporarily closed voluntarily or closed permanently. Although some preventative or protective actions have been eased or lifted in varying degrees by different governments of various countries, states and municipalities, COVID-19, including new and highly contagious variants of COVID-19, continues to spread quickly throughout the world. Notwithstanding widespread vaccine availability within the U.S., the emergence of COVID-19 variants and slowing vaccination rates in certain localities have resulted in increased infection rates and has caused, and may continue to cause, several jurisdictions to reinstitute certain COVID-19 restrictions. Additional waves of increased COVID-19 infections as well as COVID-19 related restrictions imposed by various governmental authorities (including, for example, requirements to show proof of vaccination), could negatively impact our supply chain, as well as traffic and sales volume for our products, which in turn could have an adverse effect on our business, financial condition and results of operations.

At the onset of the COVID-19 pandemic, the Company implemented new procedures at all operating locations to better protect the health and safety of its employees, medical patients, and customers across its network of dispensaries. Depending on the location, some of the initiatives include, but are not limited to: reducing the number of point-of-sale registers, restricting the number of people permitted in-store, restricting store hours to permit access to those most susceptible to infection, and offering curbside pick-up. The Company has also directed a significant amount of traffic to its recently launched online educational tool and reservation platform, www.beyond-hello.com, which enables a medical patient or customer to view real-time pricing and product availability, and reserve products for convenient in-store pick-up at BEYOND/HELLO™ locations across Pennsylvania, Illinois, California, and Virginia.

Although the Company’s dispensaries and grower-processor facilities have remained open throughout the pandemic, the Company has experienced disruptions related to supply chains, labor supply and delays in expansion projects and, in certain states, cannabis license applications, and may experience further disruptions as a result of COVID-19. In particular:

- We may experience significant reductions or volatility in demand for our products as customers may not be able to purchase our products due to illness, quarantine or government or self-imposed restrictions placed on our dispensaries’ operations or reduction in operational hours due to labor shortages;
- We may be unable to meet production demand if a particular grower-processor or section of the grower-processor is closed due to illness, quarantine or government or self-imposed restrictions placed on our facility operations or reduction in operational hours due to labor shortages;
- Social distancing measures or changes in consumer spending behaviors due to COVID-19 may impact traffic in our dispensaries and such actions could result in a loss of sales and profit;
- We may experience temporary or long-term disruptions in our supply chain;
- Transportation delays and cost increases, closures or disruptions of businesses and facilities, or social, economic, political or labor instability, may impact our or our suppliers’ operations or our customers; and
- We may experience impairments of assets in markets that are disproportionately impacted by these and other effects of the COVID-19 pandemic.

To date, our financial condition and results of operations have not been materially impacted by COVID-19. The extent to which the COVID-19 pandemic impacts our future results will depend on future developments, which are highly uncertain and cannot be predicted with certainty, including possible future outbreaks of new strains of the virus and governmental and consumer responses to such future developments.

Competition and Pricing Pressure

The cannabis industry is subject to significant competition and pricing pressures, which is often market specific and may be transitory from period to period. We may experience significant competitive pricing pressures as well as competitive products and services providers in the markets in which we operate. Several significant competitors may offer products and/or services with prices that may match or are lower than ours. We believe that the products and services we offer are generally competitive with those offered by other cannabis companies. It is possible that one or more of our competitors could develop a significant research advantage over us that allows them to provide superior products or pricing, which could put us at a competitive disadvantage. Continued pricing pressure or shifts in customer preferences could adversely impact our customer base or pricing structure and have a material impact on our results of operations in future periods.

Components of Results of Operations

Revenue

Our significant revenue streams are retail and wholesale. Retail revenues are primarily from the sale of cannabis products at our medical and adult-use dispensaries. Wholesale revenues are from the cultivation, production and distribution of our cannabis products sold to medical and adult-use dispensaries.

Cost of Goods Sold and Gross Profit

Cost of goods sold includes costs related to the internal cultivation and production of cannabis products, the acquisition cost of finished goods from other licensed producers operating within the states we operate, and packaging costs. Costs to cultivate and produce our cannabis products are primarily comprised of: direct labor costs; direct materials

including nutrients and supplies; and facilities costs including depreciation, repairs and maintenance, rent, utilities, property taxes, security and insurance. The primary factors that can impact gross profit include the mix and margins on products sold. Costs are also affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in margins over comparative periods as the regulatory environment changes.

Operating Expenses

Selling, general and administrative expenses represent costs incurred at our corporate and administrative offices, primarily related to: compensation expenses; depreciation and amortization; professional fees and legal expenses; marketing, advertising and selling costs; facility-related expenses, including rent and security; insurance; software and technology expenses; and impairments.

We expect to continue to invest considerably in this area to support our expansion plans and to support the increasing complexity of the cannabis business. As we continue to expand and open additional dispensaries, we expect our sales and marketing expenses to continue to increase. Furthermore, we expect to continue to incur acquisition and deal costs related to our expansion plans, and we anticipate an increase in compensation expenses related to recruiting and hiring new talent, and in professional fees associated with becoming compliant with the Sarbanes-Oxley Act, Securities and Exchange Commission (SEC) Reporting requirements and other costs associated with being an SEC-registered company.

Other Income (Expense), Net

Other income (expense), net, consists of interest expense, net of interest income; net investment gains (losses); net gains on business combinations; gains (losses) on debt modification; and other.

Interest income relates primarily to interest earned on cash and cash equivalent balances in bank accounts. Interest expense consists primarily of interest on borrowings. Net gains on business combinations result from bargain purchases, the related tax effects and other related adjustments. Net investment gains (losses) comprise realized and unrealized gains on securities, equity investments and financial assets, such as notes or contingent asset receivables, if applicable. Gains (losses) on debt modifications relate to exchanged or extinguished debt and other related modifications.

Provision for Income Taxes

Provision for income taxes is calculated using the asset and liability method. Deferred income tax assets and liabilities are determined based on enacted tax rates and laws for the years in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As we operate in the cannabis industry, we are subject to the limits of Section 280E of the Code under which we are only allowed to deduct expenses directly related to the cost of producing or acquiring the products we sell.

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Results of Operations

(amounts expressed in thousands of U.S. dollars, unless otherwise stated)

	For the Three Months Ended March 31, (unaudited)			For the Year Ended December 31,		
	2022	2021	% Change	2021	2020	% Change
REVENUE, NET	\$ 61,888	\$ 41,675	49%	\$ 209,292	\$ 80,772	159%
COST OF GOODS SOLD	(42,776)	(22,934)	87%	(125,898)	(42,431)	197%
GROSS PROFIT	\$ 19,112	\$ 18,741	2%	\$ 83,394	\$ 38,341	118%
OPERATING EXPENSES	\$ 37,308	\$ 21,911	70%	\$ 119,159	\$ 54,895	117%
LOSS FROM OPERATIONS	\$ (18,196)	\$ (3,170)	474%	\$ (35,765)	\$ (16,554)	116%
OTHER (EXPENSE) INCOME:						
Interest expense, net	\$ (10,116)	\$ (6,835)	48%	\$ (30,610)	\$ (15,333)	100%
Fair value gains (losses) on derivatives	14,309	(9,358)	253%	105,170	(173,707)	161%
Other, net	(703)	(3,376)	(79)%	8,309	3,702	124%
Total net other income (expense)	\$ 3,490	\$ (19,569)	118%	\$ 82,869	\$ (185,338)	145%
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	\$ (14,706)	\$ (22,739)	35%	\$ 47,104	\$ (201,892)	123%
Provision for income taxes	(5,051)	(8,312)	(39)%	(29,625)	(10,623)	179%
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ (19,757)	\$ (31,051)	36%	\$ 17,479	\$ (212,515)	108%
Net loss attributable to non-controlling interests	—	(175)	(100)%	(2,772)	(1,908)	45%
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO JUSHI SHAREHOLDERS	\$ (19,757)	\$ (30,876)	36%	\$ 20,251	\$ (210,607)	110%
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - BASIC	\$ (0.11)	\$ (0.20)	45%	\$ 0.12	\$ (1.94)	106%
Weighted average shares outstanding - BASIC	183,226,027	157,176,375	17%	170,292,035	108,485,158	57%
NET (LOSS) AND COMPREHENSIVE (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - DILUTED	\$ (0.16)	\$ (0.20)	20%	\$ (0.42)	\$ (1.94)	78%
Weighted average shares outstanding - DILUTED	207,838,906	157,176,375	32%	201,610,251	108,485,158	86%

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Comparison of First Quarter Results

(amounts expressed in thousands of U.S. dollars, unless otherwise stated)

Revenue, Net

The following table presents revenue by type for the periods indicated:

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Gross revenue	Intercompany revenue	Revenue to external customers	Gross revenue	Intercompany revenue	Revenue to external customers
Retail cannabis	\$ 57,955	\$ —	\$ 57,955	\$ 39,277	\$ —	\$ 39,277
Wholesale cannabis	9,443	(5,595)	3,848	4,192	(1,883)	2,309
Other	85	—	85	89	—	89
Eliminations	(5,595)	5,595	—	(1,883)	1,883	—
Consolidated	\$ 61,888	\$ —	\$ 61,888	\$ 41,675	\$ —	\$ 41,675

Revenue, net, for the three months ended March 31, 2022 totaled \$61,888, as compared to \$41,675 for the three months ended March 31, 2021, an increase of \$20,213, or 49%. The increase in Retail revenue is due primarily to the Company's expansion of cannabis operations from build outs and acquisitions. Retail revenue for the three months ended March 31, 2022 was derived from twenty-nine cannabis dispensaries located in Pennsylvania (eighteen), Illinois (four), Massachusetts (two), California (two), Virginia (two) and Nevada (one), whereas, for the three months ended March 31, 2021, Retail revenue was derived from seventeen cannabis dispensaries located in Pennsylvania (eleven), Illinois (four), California (one) and Virginia (one).

The increase in Wholesale revenue is primarily attributable to increases in cultivation and manufacturing activity at our grower processor facilities: (i) in Massachusetts due to the acquisition of Nature's Remedy, which occurred in the third quarter of 2021; (ii) in Virginia due to the commencement of operations at the Dalitso facility in the third quarter of 2021; (iii) in Pennsylvania due to continued increase sales volume. Wholesale revenue includes inter-segment revenue of \$5,595, which is eliminated in consolidation.

Cost of Goods Sold and Gross Profit

Cost of goods sold totaled \$42,776 for the three months ended March 31, 2022, as compared to \$22,934 for the three months ended March 31, 2021, an increase of \$19,842, or 87%. The increase in costs of goods sold is primarily attributable to the increase in revenue.

Gross profit totaled \$19,112 for the three months ended March 31, 2022, as compared to \$18,741 for three months ended March 31, 2021, an increase of approximately \$371, or 2%. As a percentage of revenue, gross profit for the three months ended March 31, 2022 and 2021, was 31% and 45%, respectively. Gross margin decreased primarily due to: (1) approximately \$3,500 of labor and overhead costs related to the ramp up of operations in our grower-processor facilities in Virginia and Massachusetts and start-up costs at our new retail dispensaries; and (2) the sell through of inventory acquired in the Nature's Remedy and Apothecarium acquisitions which had a fair value step-up of approximately \$3,000. Gross margins were also impacted by the increased promotional activity at retail in Illinois and Massachusetts, and pricing compression in wholesale as we continue to build-out our brands across state markets.

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Operating Expenses

Operating expenses for the three months ended March 31, 2022 were \$37,308, as compared to \$21,911 for the three months ended March 31, 2021, an increase of \$15,397, or 70%.

	Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
Salaries, wages and employee related expenses ("S&W")	\$ 17,336	\$ 9,882	7,454	75%
Stock-based compensation expense	6,964	4,013	2,951	74%
Rent and related expenses	3,089	1,799	1,290	72%
Professional fees and legal expenses	2,706	1,693	1,013	60%
Depreciation and amortization expense	2,256	974	1,282	132%
Software and technology	1,530	567	963	170%
Marketing and selling	969	675	294	44%
Travel, entertainment and conferences	739	405	334	82%
Insurance	599	755	(156)	(21)%
Administration and application fees	140	353	(213)	(60)%
Acquisition and deal costs	141	238	(97)	(41)%
Other G&A	839	557	282	51%
Total operating expenses	\$ 37,308	\$ 21,911	\$ 15,397	70%

The total increase in operating expenses is due to the increase in the size and scope of our general and administrative functions to support our expanded operations resulting from organic growth and acquisitions. The primary increases are from an increase in: salaries, wages, labor and employee related expenses as a result of the increase in the number of employees to support our ongoing growth and resulting from recent acquisitions; share-based compensation primarily due to recent stock options granted to new employees and management; professional fees and legal expenses, primarily due to our transition to accounting principles generally accepted in the U.S. (US GAAP) reporting and costs associated with our registration with the SEC, which we expect to complete by the third quarter of 2022; and depreciation and amortization expense and rent and related expenses due to the additions of property, plant and equipment and finance lease right-of-use assets from acquisitions and investment in infrastructure as we continue to scale.

Other (Expense) Income

Interest Expense, Net

Interest expense, net was \$10,116 for the three months ended March 31, 2022, as compared to \$6,835 for the three months ended March 31, 2021, an increase of \$3,281, or 48%. The increase in interest expense, net is due primarily to an increase in interest-bearing borrowings including finance leases and acquisition-related financing.

Fair Value Changes in Derivatives

Fair value changes in derivatives was a net gain of \$14,309 for the three months ended March 31, 2022, as compared to a net loss of \$9,358 for the three months ended March 31, 2021. Fair value changes in derivatives include the fair value gains or losses relating to the derivative warrants liability. The derivative warrants are required to be remeasured at fair value at each reporting period. The fair value changes in derivatives for the three months ended March 31, 2022 and 2021 were primarily attributable to the movement in the Company's stock price during the corresponding period.

Other, Net

Other expense, net was \$703 for the three months ended March 31, 2022, as compared to \$3,376 for the three months ended March 31, 2021, a decrease of \$2,673 or 79%. Other expense, net for the three months ended March 31, 2021 primarily related to losses on redemptions of Senior Notes of \$3,815, partially offset by \$1,149 gains on investments in securities.

Income Tax Expense

Total income tax expense was \$5,051 for the three months ended March 31, 2022, as compared to \$8,312 for the three months ended March 31, 2021, a decrease of \$3,261, or 39%. The decrease in income tax expense is primarily due to a reduction in our accrual for uncertain tax positions related to periods no longer open under the statute of limitations.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Comparison of Fiscal Year Results

(amounts expressed in thousands of U.S. dollars, unless otherwise stated)

Revenue, Net

The following table presents revenue by type for the years indicated:

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Gross revenue	Intercompany revenue	Revenue to external customers	Gross revenue	Intercompany revenue	Revenue to external customers
Retail cannabis	\$ 195,085	\$ —	\$ 195,085	\$ 75,499	\$ —	\$ 75,499
Wholesale cannabis	29,969	(16,177)	13,792	6,639	(1,901)	4,738
Other	415	—	415	535	—	535
Eliminations	(16,177)	16,177	—	(1,901)	1,901	—
Consolidated revenue	\$ 209,292	\$ —	\$ 209,292	\$ 80,772	\$ —	\$ 80,772

Revenue, net, for the year ended December 31, 2021 totaled \$209,292, as compared to \$80,772 for the year ended December 31, 2020, an increase of \$128,520, or 159%. The increase in revenues is due primarily to increases in retail and wholesale cannabis revenues in both medical and adult-use markets. The increase in Retail revenue is primarily attributable to the build-out of retail dispensaries, 2021 acquisitions, along with the continued growth in states where the Company operates. Retail revenue for the year ended December 31, 2021 was derived from a total of twenty-eight cannabis dispensaries located in Pennsylvania (eighteen), Illinois (four), Massachusetts (two), California (two), and Virginia (two), whereas, in the prior year, retail revenue was derived from a total of fifteen cannabis dispensaries located in Pennsylvania (ten), Illinois (three), California (one) and Virginia (one). The increase in Wholesale revenue is primarily attributable to increases in cultivation and manufacturing activity at our grower processor facilities: (i) in Pennsylvania due to the acquisition of PAMS in the third quarter of 2020; (ii) in Massachusetts due to the acquisition of Nature's Remedy in the third quarter of 2021; and (iii) in Virginia due to the commencement of operations at the Dalitso facility in the third quarter of 2021.

Cost of Goods Sold and Gross Profit

Cost of goods sold totaled \$125,898 for the year ended December 31, 2021, as compared to \$42,431 for the year ended December 31, 2020, an increase of \$83,467, or 197%. The increase in costs of goods sold is primarily attributable to the increase in revenue.

Gross profit totaled \$83,394 for the year ended December 31, 2021, as compared to \$38,341 for year ended December 31, 2020, an increase of approximately \$45,053, or 118%. Gross profit increased primarily due to the increase in revenue. As a percentage of revenue, gross profit for the year ended December 31, 2021 and 2020, was 40% and 47%, respectively. Gross margin decreased primarily due to an increase in new location start-up costs of \$4,795, a one-time inventory reserve for certain vape products subject to a recall in Pennsylvania of \$2,021, price compression in our largest markets of Pennsylvania and Illinois and at the wholesale level due to increased promotional activity as we continue to build-out our brands across state markets. Start-up costs represent costs incurred to prepare a location for its intended use. The inventory recall reserve relates to the potential impact of the Pennsylvania Department of Health recall and ban of vape products containing certain cannabis concentrates.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Operating Expenses

Operating expenses for the year ended December 31, 2021 were \$119,159, as compared to \$54,895 for the year ended December 31, 2020, an increase of \$64,264, or 117%.

	Year Ended December 31,		\$	% Change
	2021	2020	Change	
Salaries, wages and employee related expenses ("S&W")	\$ 58,228	\$ 21,781	\$ 36,447	167%
Stock-based compensation expense	14,506	9,592	4,914	51%
Depreciation and amortization expense	5,805	4,154	1,651	40%

Rent and related expenses	7,115	3,754	3,361	90%
Professional fees and legal expenses	6,507	3,975	\$ 2,532	64%
Marketing and selling	3,563	2,511	1,052	42%
Insurance	2,703	1,988	715	36%
Administration and application fees	1,131	1,589	(458)	(29)%
Software and technology	3,313	1,049	2,264	216%
Travel, entertainment and conferences	2,352	756	1,596	211%
Facility rent expense	2,607	1,489	1,118	75%
Acquisition and deal costs	1,624	810	814	100%
Asset impairment	4,561	—	4,561	100%
Goodwill impairment	1,783	—	1,783	100%
Other G&A	3,361	1,447	1,914	132%
Total operating expenses	\$ 119,159	\$ 54,895	\$ 64,264	117%

The total increase in operating expenses is due to the increase in the size and scope of our general and administrative functions to support our expanded operations resulting from organic growth and acquisitions. The primary increases are from an increase in salaries, wages, labor and employee-related expenses as well as an increase in share-based compensation, as a result of the increase in the number of employees. In addition, an increase in depreciation and amortization expense and facilities-related expenses were due to the additions of property, plant and equipment and finance lease right-of-use assets from acquisitions and investments in infrastructure that resulted in more capitalized assets. Also, the Company had an increase in professional fees and legal expenses, primarily due to our transition to US GAAP reporting and costs associated with our registration with the SEC, which we expect to complete by the third quarter of 2022. The Company also recorded a goodwill impairment charge of \$1,783 and an asset impairment charge of \$4,561 for the year ended December 31, 2021 related to the write-off of goodwill associated with Nevada upon completion of the Company's annual impairment assessment and the asset impairment charges relate to Jushi Europe SA (Jushi Europe).

Other (Expense) Income, Net

Interest Expense, Net

Interest expense, net was \$30,610 for the year ended December 31, 2021, as compared to \$15,333 for the year ended December 31, 2020, an increase of \$15,277, or 100%. The increase in interest expense, net is due primarily to an increase in interest-bearing borrowings including finance leases and acquisition-related financing.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Fair Value Changes in Derivatives

Fair value changes in derivatives was a net gain of \$105,170 for the year ended December 31, 2021, as compared to a net loss of \$173,707 for the year ended December 31, 2020. The total net fair value gain on derivatives for the year ended December 31, 2021 were attributed to fair value gains relating to the derivative warrants of \$104,594 and a gain on the Pennsylvania Dispensary Solutions, LLC (PADS) purchase option of \$575. At the time of the PAMS acquisition, as part of the agreements with Vireo Health, Inc (Vireo), the seller of PAMS, Jushi received an assignable purchase option (PADS Purchase Option) to acquire 100% of the equity of PADS. The derivative warrants were issued in connection with the debt offerings announced in December 2019 and June 2020 and are required to be remeasured at fair value at each reporting period. The gains on derivative warrants for the year ended December 31, 2021 were due to the decrease in the fair value of the derivative warrants liability primarily as a result of a decrease in the Company's stock price during the year ended December 31, 2021.

Other, Net

Other income, net was \$8,309 for the year ended December 31, 2021, as compared to \$3,702 for the year ended December 31, 2020, an increase of approximately \$4,607, or 124%. The increase was primarily attributable to: (i) a \$10,248 gain on the legal settlement of the SFN litigation; (ii) an increase in net investment gains of \$3,689 primarily from net fair value gains on investments during 2021 compared to declines in the fair values of the Company's holdings in investments caused by the general market decline experienced during the first quarter of 2020 as a result of COVID-19; (iii) a decrease of \$10,149 in net gains on business combinations, which related to the 2020 acquisitions of PAMS and TGS Illinois Holdings, LLC (TGSIH)/Beyond Hello IL Holdings, LLC (BHIL); and (iv) an increase in losses on debt redemptions and extinguishments/modifications of \$1,962.

Income Tax Expense

Total income tax expense was \$29,625 for the year ended December 31, 2021, as compared to \$10,623 for the year ended December 31, 2020, an increase of \$19,002, or 179%. The increase was comprised of an increase in current tax expense of \$20,555 and a decrease in deferred tax expense of \$1,553. The increase in current tax expense relates primarily to the increase in taxable gross profit generated from the Company's increased retail and wholesale revenues. The Company also realized additional taxable income from a legal settlement related to the SFN litigation.

Net Loss Attributable to Non-Controlling Interests

Net loss attributable to non-controlling interests was \$2,772 for the year ended December 31, 2021, as compared to \$1,908 for the year ended December 31, 2020, an increase of \$864. Net loss attributable to non-controlling interests for the year ended December 31, 2021, primarily relates to the non-controlling interests of Jushi Europe, whereas net loss attributable to non-controlling interests for the year ended December 31, 2020 related to the non-controlling interests of Dalitso, Jushi Europe SA, Agape Total Health Care Inc. (Agape) and other non-material non-controlling interests. The non-controlling interests of Dalitso and Agape were purchased by the Company during the fourth quarter of 2020 and the first quarter of 2021, respectively.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Liquidity and Capital Resources

Cash Flows

(amounts expressed in thousands of U.S. dollars, unless otherwise stated)

The major components of our statements of cash flows for the periods presented are as follows:

	For the Three Months Ended March 31 (unaudited)		For the Year Ended December 31,	
	2022	2021	2021	2020
Net cash flows used in operating activities ⁽¹⁾	\$ (2,666)	\$ (3,121)	\$ (14,304)	\$ (12,364)
Net cash flows used in investing activities	(33,068)	(8,906)	(113,455)	(45,800)
Net cash flows provided by financing activities ⁽¹⁾	16,497	88,295	137,663	105,132
Effect of currency translation on cash	(9)	(40)	(274)	(47)
Net change in cash and cash equivalents	<u>\$ (19,246)</u>	<u>\$ 76,228</u>	<u>\$ 9,630</u>	<u>\$ 46,921</u>

⁽¹⁾ The Company restated the classification of interest payments on its finance leases in the consolidated statement of cash flows during the year ended December 31, 2021. The correction resulted in an increase in net cash flows used in operating activities from \$7,928 (as reported) to \$14,304 (as restated) and a corresponding increase in net cash flows provided by financing activities from \$131,287 (as reported) to \$137,663 (as restated). Refer to Note 25 - Correction of Previously Issued Financial Statements of the audited consolidated financial statements included elsewhere in this prospectus.

Cash Flows Used in Operating Activities

Three Months Ended March 31, 2022 and 2021

Net cash used in operations during the three months ended March 31, 2022 was \$2,666, as compared to \$3,121 for the three months ended March 31, 2021. The improvement in cash used in operations for the three months ended March 31, 2022 is due primarily to improved management of working capital, partially offset by an increase in net loss after non-cash adjustments.

Year Ended December 31, 2021 and 2020

Net cash used in operations during the year ended December 31, 2021 was \$14,304, as compared to \$12,364 for the year ended December 31, 2020. The increase in cash used in operations is due primarily to increased operating expenses to support our growth and interest paid on finance leases, partially offset by improved management of working capital.

Cash Flows Used in Investing Activities

Three Months Ended March 31, 2022 and 2021

Net cash used in investing activities totaled \$33,068 for the three months ended March 31, 2022, as compared to \$8,906 for the three months ended March 31, 2021. The net cash used in investing activities for the three months ended March 31, 2022 was comprised of: \$26,476 for the purchases of property, plant and equipment for use in the Company's operations; and \$6,592 paid for the acquisition of Apothecarium, net of cash acquired. The net cash used in investing activities for the three months ended March 31, 2021 was comprised of: \$3,592 paid for the acquisition of Grover Beach; \$8,566 for the purchases of property, plant and equipment for use in the Company's operations; partially offset by: \$3,252 in proceeds from sale of investments.

Year Ended December 31, 2021 and 2020

Net cash used in investing activities totaled \$113,455 for the year ended December 31, 2021, as compared to \$45,800 for the year ended December 31, 2020. The net cash used in investing activities for the year ended December 31, 2021 was comprised of: \$75,296 for the purchases of and deposits for property, plant and equipment for use in the Company's operations; \$47,308 in payments for the acquisitions of Nature's Remedy, Ohio Green Grow LLC, OhiGrow, Grover Beach and Organic Solutions of the Desert, LLC, net of cash acquired; partially offset by: \$9,149 in proceeds from sales and redemptions of investments.

The net cash used in investing activities for the year ended December 31, 2020 was comprised of: \$30,117 in payments for the acquisitions of PAMS, PADS (including the PADS Purchase Option), Agape, GSG Santa Barbara and BHIL, net of cash acquired (and excluding payments for non-controlling interests); \$22,780 for the purchases of and deposits for property, plant and equipment; \$11,500 in payments for investments in securities and an equity investment; partially offset by: \$18,597 in proceeds from investments and financial assets.

Cash Flows provided by Financing Activities

Three Months Ended March 31, 2022 and 2021

Net cash provided by financing activities totaled \$16,497 for the three months ended March 31, 2022, as compared to \$88,295 for the three months ended March 31, 2021. The net cash provided by financing activities for the three months ended March 31, 2022 was comprised of: \$13,680 in proceeds from private placement equity offerings in January and February 2022; \$3,265 in proceeds from other debt; and \$541 in proceeds from the exercise of warrants and stock options; partially offset by: \$601 in lease obligation payments; \$258 in principal redemption repayments on the Senior Notes; and \$130 in payments on other debt.

The net cash provided by financing activities for the three months ended March 31, 2021 was comprised of: \$85,660 in proceeds from public equity offerings, net of issuance costs, in January and February 2021; \$9,886 in proceeds from the exercise of warrants and stock options; and \$1,134 in proceeds from other debt; partially offset by: \$8,134 in principal redemption repayments on the Senior Notes; and \$251 in lease obligation payments.

Year Ended December 31, 2021 and 2020

Net cash provided by financing activities totaled \$137,663 for the year ended December 31, 2021, as compared to \$105,132 for the year ended December 31, 2020. The net cash provided by financing activities for the year ended December 31, 2021 was comprised of: \$85,660 in proceeds from the issuance of shares for cash, net of issuance costs, in connection with public offerings in January and February 2021; \$17,128 in proceeds from the exercise of warrants and stock options; \$38,299 in proceeds from the new Acquisition Facility and \$7,910 in proceeds from other debt instruments, partially offset by: \$8,134 in principal redemption repayments on the Senior Notes; \$2,037 in payments on acquisition-related promissory notes and other debt; and \$1,163 in lease obligation payments.

The net cash provided by financing activities for the year ended December 31, 2020 was comprised of: \$51,861 in proceeds from the issuance of the Senior Notes and related warrants, net of financing costs; \$46,587 in proceeds from the exercise of warrants and stock options; \$29,243 in proceeds from the issuance of shares for cash, net of issuance costs, in connection with a public offering in October of 2020; \$3,529 in proceeds from financing obligations and an unsecured credit line, net of a repayments; proceeds of \$1,994 from a contribution for Jushi Europe SA from the non-controlling partner net of other immaterial transactions; partially offset by: \$24,003 in principal payments on acquisition-related promissory notes payable; \$2,231 in payments for acquisitions from non-controlling interests for Dalitso and BHIL; and \$1,848 in lease obligation payments.

As of March 31, 2022, primarily all of our balance sheet is exposed to U.S. cannabis-related activities. We believe our operations are in material compliance with all applicable state and local laws, regulations and licensing requirements in the states in which we operate. However, cannabis remains illegal under U.S. federal law. All of our revenue is derived from U.S. cannabis operations. For information about risks related to U.S. cannabis operations, please refer to “Risk Factors” in this prospectus.

Sources and Uses of Liquidity

Since our inception, we have funded our operations and capital spending through cash flows from sales, and the issuance of debt and equity. Jushi has successfully raised approximately \$461 million to date (which includes equity offerings, 10% Senior Secured Notes, warrant/option exercises and draw downs on the Acquisition Facility), of which approximately \$47 million was invested by management and insiders. We generate cash from sales and are deploying capital to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and long term to support our business growth and expansion. As of March 31, 2022, we have borrowed \$40 million from the \$100 million Acquisition Facility to fund the cash portions of acquisitions. We may increase the total commitment of the Acquisition Facility by an aggregate amount of up to \$25 million subject to certain conditions, and have the ability under our current base shelf prospectus in Canada to issue C\$500 million subscription receipts, debt securities, convertible securities, warrants, subordinate voting shares, and units, or any combination thereof.

Our primary uses of cash are for working capital requirements, acquisitions, capital expenditures and debt service payments. Working capital is used principally for our personnel as well as costs related to the purchase of inventory, cultivation, manufacture and production of our products. Our capital expenditures consist primarily of the construction and improvement of grower-processor facilities and retail dispensaries.

We believe at this time that we have sufficient sources of liquidity to execute on our business plan and satisfy the commitments we have made to date. As reflected in our condensed consolidated financial statements included elsewhere in this prospectus, we have incurred losses from operations for the three months ended March 31, 2022, and have an accumulated deficit of \$262,175 as of March 31, 2022. As discussed in Note 9 - Debt of the condensed consolidated financial statements, the 10% Senior Secured Notes, which as of March 31, 2022 had an aggregate principal amount outstanding of \$74,935, mature on January 15, 2023, and our Acquisition Facility (refer to Note 9 - Debt) required us to maintain certain covenants which we may not have been in compliance with if the court accepted Jushi Europe’s petition for bankruptcy and we were also projected to violate certain financial covenants further within the next twelve months. This condition raised substantial doubt about our ability to continue as a going concern.

We believe that this substantial doubt has been alleviated due to: (i) an amendment entered into with the lender in April 2022, which included a waiver related to Jushi Europe’s bankruptcy and a change to the terms of the Total Leverage ratio, as defined in the Acquisition Facility agreement, and deferred the commencement date of leverage testing under the Acquisition Facility; (ii) cash and cash equivalents on hand, which were \$75,717 as of March 31, 2022; (iii) ongoing efforts with certain lenders to refinance the Senior Notes; (iv) expected continued growth of sales, gross profit and cash flows from operations; and (v) the ability to defer certain capital projects and reallocate funds for debt repayment, if the need arose. We also believe we have access to alternative sources of debt and equity financing, including secured borrowings and through a base shelf prospectus, which allows us to offer up to C\$500 million in securities in Canada through the end of 2023. However, there can be no assurance that we will be able to refinance the Senior Notes, generate positive results from operations, or obtain additional liquidity when needed or under acceptable terms, if at all.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Description of Indebtedness

The Company had the following instruments as of March 31, 2022:

Designation of Instrument ⁽¹⁾	Number Outstanding as of March 31, 2022	Aggregate Principal Amount (in millions)	Interest Rate	Conversion Price	Maturity Date
10% Senior Secured Notes	68,122 ⁽²⁾	\$ 74.9	10%	N/A	01/15/2023
Acquisition Facility	1	\$ 40.0	9.5%	N/A	10/21/2026
Unsecured Promissory Note - Nature's Remedy	1	\$ 11.5	8%	N/A	09/10/2024
Unsecured Promissory Note - Nature's Remedy	1	\$ 5.0	8%	N/A	09/10/2026
Unsecured Promissory Note - Apothecarium	1	\$ 5.9	0%	N/A	3/16/2027
Unsecured Promissory Note - Apothecarium	1	\$ 3.9	0%	N/A	3/16/2027
Unsecured Promissory Note - PAMS	1	\$ 3.8	8%	N/A	08/11/2024
Secured Promissory Note - OSD	1	\$ 3.1	4%	N/A	04/30/2027
Unsecured Credit Line - Jushi Europe ⁽³⁾	2	\$ 1.7	5%	N/A	11/11/2024
Unsecured Credit Line - Jushi Europe ⁽⁴⁾	2	\$ 1.7	0.5%	N/A	03/07/2022
Secured Promissory Note - Arlington Facility	1	\$ 4.9	5.9%	N/A	01/01/2027
Unsecured Convertible Promissory Note - Dalitso ⁽⁵⁾	1	\$ 2.4	1%	\$2.65	11/19/2022

Notes:

- (1) Excludes leases and financing obligations for property, plant and equipment.
- (2) This number includes 68,093 10% Senior Secured Notes due January 15, 2023, which are issued in denominations of \$1,000. This number also includes 29 Warrant Notes which were not exchanged for 10% Senior Secured Notes due January 15, 2023.
- (3) The total funds available under this facility are EUR 1.5 million, which has been converted into U.S. Dollars for purposes of this prospectus.
- (4) The total funds available under this facility are approximately EUR 1.49 million which has been converted into U.S. Dollars for purposes of this prospectus.
- (5) Convertible into 910,000 Subordinate Voting Shares at a fixed conversion price per share of \$2.65 after first anniversary.

Senior Notes

On December 23, 2019, we announced the receipt of Initial Subscriptions totaling \$27.5 million in connection with the Debt Financing. Insiders and certain Founders committed an aggregate of \$18.5 million in connection with the Debt Financing. Investors were provided two financing structure options. The first structure allowed subscribers to acquire Warrant Notes maturing on January 15, 2023. The principal amount outstanding under such Warrant Notes bears interest at a rate of 10.0% per annum, payable in cash quarterly. Under the first structure subscribers were also issued Debt Warrants to acquire a number of Subordinate Voting Shares of the Company equal to 75% of the principal amount of the applicable Warrant Note divided by the exercise price of \$1.5787. The Debt Warrants have an expiration date of December 23, 2024. The second structure allowed subscribers to acquire Original Issue Discount 10% Senior Secured Notes (OID Notes) maturing on January 15, 2023. The principal amount outstanding under such OID Notes bears interest at a rate of 10.0% per annum, payable in cash quarterly. The combined annual yield on the OID Notes is approximately 17%. Participants electing

to receive OID Notes did not receive Debt Warrants.

In addition to the maturity dates, both structures have the same key terms. The Company's obligations under both the Warrant Notes and the OID Notes are secured by the assets of the Company and certain of its subsidiaries (subject to certain exclusions) and are guaranteed by certain subsidiaries of the Company. Due to insider participation, a special committee of the board of directors, comprised entirely of independent Board members, was formed to set, review, negotiate and approve of the terms of the Debt Financing. ATB Capital Markets (formerly, AltaCorp Capital Inc.) was engaged by the special committee of the board of directors to provide its opinion as to the fairness, from a financial perspective, of the terms of the Debt Financing.

On January 31, 2020, the Company announced an upsizing of the Debt Financing, and was in receipt of aggregate cash proceeds of \$35.7 million in subscriptions (inclusive of the \$27.5 million cash proceeds already received by the Company). The Company also announced that \$9.6 million of debt and interest expenses assumed by the Company pursuant to the TGS Settlement Agreement was exchanged into Warrant Notes with a slightly modified redemption right (subject to an unrelated contingency).

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On July 31, 2020, the Company announced a second upsizing to the previously announced Debt Financing and closed on \$33.3 million of new subscription receipts, receiving \$27.8 million in cash proceeds. Included in the \$33.3 million was \$12.3 million of subscription receipts contingent upon the closing of the PAMS acquisition. Due to Founder and other insider participation, a special committee of the board of directors, comprised entirely of independent Board members, was formed to set, review, negotiate and approve of the terms of the Debt Financing. ATB Capital Markets (formerly, AltaCorp Capital Inc.) was engaged by the special committee of the board of directors to provide its opinion as to the fairness, from a financial perspective, of the terms of the upsizings to the Debt Financing.

On December 1, 2020, certain participants in the Debt Financing elected to exchange their Warrant Notes or OID Notes for an equal principal amount of 10% Senior Secured Notes due January 15, 2023, which commenced trading on the CSE under the trading symbol "JUSH.DB.U". Holders of an aggregate principal amount of \$76.4 million in Warrant Notes and OID Notes elected to participate in such exchange. Holders of an aggregate principal amount of \$7.0 million in Warrant Notes and OID Notes elected to retain their Warrant Notes or OID Notes, as applicable, which were amended and restated in connection with the listing of the 10% Senior Secured Notes due January 15, 2023. On December 31, 2020, an aggregate of approximately \$83.3 million of listed and unlisted notes remain outstanding.

Acquisition Facility

On October 20, 2021, the Company entered into definitive documentation in respect of a \$100 million Senior Secured Credit Facility (the Acquisition Facility) with Roxbury, LP acting as agent to SunStream Bancorp Inc. (Sunstream), a joint venture sponsored by Sundial Growers Inc. (NASDAQ:SNDL). Jushi has drawdown \$40.0 million from the Acquisition Facility to fund the cash portion of the completed acquisition of Nature's Remedy. Additionally, the Company will consider borrowing future amounts under the Acquisition Facility for potential strategic expansion opportunities in both its core and developing markets. After being drawn, loans issued under the Acquisition Facility will bear an interest rate of 9.5% per annum, payable quarterly, and will mature five years from the closing date. The Company will be able to make additional draws under the facility for an 18-month period, and will have a two-year interest-only period before partial amortization begins on a quarterly basis. The Company also may increase the total commitment of the Acquisition Facility by an aggregate amount of up to \$25 million, subject to certain conditions. The Acquisition Facility is secured by a first lien over certain Company assets and on a pari passu basis with current senior indebtedness on existing assets that are collateralized under the Company's current senior debt.

For additional information and information about our other debt instruments, refer to Note 11 - Debt in the audited consolidated financial statements and Note 9 - Debt in the unaudited interim condensed consolidated financial statements.

Critical Accounting Policies and Estimates

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates, revisions to accounting estimates are recognized in the period in which the estimate is revised. Our significant accounting policies are described in Note 2 - Basis of Presentation and Summary of Significant Accounting Policies in the consolidated financial statements.

Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

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Estimated Useful Lives and Depreciation of Property and Equipment and Intangible Assets

Depreciation and amortization of property and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets. Our licenses have indefinite lives and are not amortized. Absent such licenses, we cannot continue conducting business in the associated jurisdiction and as such, there is no foreseeable limit to the period over which these assets are expected to generate future cash inflows to us.

Accounting for Acquisitions and Business Combinations

In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates relate to contingent consideration and intangible assets. Management exercises judgement in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management with the assistance of an independent valuation expert, may estimate the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows.

Cannabis licenses are the primary intangible asset acquired in business combinations as they provide us the ability to operate in each market. We utilize the expected future net cash flows of the acquired business in calculating the fair value of these intangible assets. The key assumptions used in these cash flow projections include discount rates and terminal growth rates. Of the key assumptions used, the impact of the estimated fair value of the intangible assets have the greatest sensitivity to the estimated discount rate used in the valuation. Management selected discount rates are primarily dependent upon the markets in which each of the acquisitions operates. The terminal growth rate represents the rate at which these businesses will continue to grow into perpetuity. Other significant assumptions include estimated revenue, gross profit, operating expenses and anticipated capital expenditures which are based upon the business' historical operations along with management projections.

The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Inventories

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected selling price and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of goods sold.

Goodwill and Indefinite Lived Intangibles Impairment

Goodwill and indefinite lived intangibles are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of the asset has been impaired. In order to determine if the value of goodwill or indefinite lived intangible assets may have been impaired, we perform a qualitative assessment to determine if it is more-likely-than-not that the reporting unit's carrying value is less than the fair value, indicating the potential for impairment, and therefore requiring a quantitative assessment. If we determine that a quantitative impairment test is required, for testing of goodwill, we typically use a combination of an income approach, i.e., a discounted cash flow calculation, and a market approach, i.e., using a market multiple method, to determine the fair value of each reporting unit, and then compare the fair value to its carrying amount to determine the amount of impairment, if any. For the testing of indefinite-lived intangibles, we typically utilize an income approach, i.e., the excess earnings approach. When applying these valuation techniques, we rely on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill and indefinite lived intangible assets.

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Share-based Payment Arrangements

We account for stock based compensation expense in accordance with accounting standards codification (ASC) 718 Compensation – Stock Compensation, which requires the measurement and recognition of stock-based compensation expense based on estimated fair values, for all stock-based payment awards made to employees. We use the Black-Scholes pricing model to determine the fair value of stock options and warrants granted to employees and directors under share-based payment arrangements, where appropriate. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of the awards, volatility of share price, risk free rates, and future dividend yields at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Leases

ASC Topic 842 requires lessees to recognize Right of Use (ROU) assets and lease liabilities on the balance sheet. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term, using a discount rate equivalent to our incremental borrowing rate for a term similar to the estimated duration of the lease. ASC 842 requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. Accordingly, we generally use our incremental borrowing rate when initially recording leases. We determine the incremental borrowing rate as the interest rate we would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. In addition, ASC 842 requires lessees to estimate the lease term. In determining the period which we have the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Income Taxes

Current tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted by the end of the reporting period.

Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Deferred tax assets are recognized to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that we would be able to realize deferred tax assets in the future in excess of their net recorded amount, an adjustment to the deferred tax asset valuation allowance is recorded, which would reduce the provision for income taxes.

Uncertain tax positions are recorded in accordance with ASC 740 *Income Taxes* on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

As we operate in the legal cannabis industry, we are subject to the limits of Section 280E of the Code for U.S. federal income tax purposes as well as state income tax purposes for all states except for California and Colorado. Under Section 280E of the Code, we are only allowed to deduct expenses directly related to the cost of goods sold. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under Section 280E of the Code.

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Recently Adopted Accounting Standards and Recently Issued Accounting Pronouncements

For information about our recently adopted accounting standards and recently issued accounting standards not yet adopted, refer to Note 2 - Basis of Presentation and Summary of Significant Accounting Policies of the consolidated financial statements.

Changes in Accountants

On June 2, 2021, we replaced MNP LLP as our independent accountants.

The reports of MNP LLP on our consolidated financial statements for the years ended December 31, 2020 and 2019, which were prepared in accordance with International Financial Reporting Standards, did not contain any adverse opinion or disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope, or accounting principles. MNP, LLP conducted their audits in accordance with Canadian generally accepted auditing standards.

During the years ended December 31, 2020 and 2019 and the subsequent interim period through June 2, 2021, MNP LLP did not have any disagreement with us on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of MNP LLP would have caused it to make reference to the subject matter of the disagreement in connection with its report on our consolidated financial statements.

During the years ended December 31, 2020 and 2019 and the subsequent interim period through June 2, 2021, there were no “reportable events” as such term is defined in Item 304(a)(1)(v) of Regulation S-K.

We provided a copy of this disclosure to MNP LLP and requested that they furnish us a letter addressed to the SEC stating whether they agree with the above statements. Their letter to the SEC will be attached as an exhibit to the registration statement of which this prospectus is a part.

On June 2, 2021, we engaged Marcum LLP as our independent registered public accounting firm. Marcum LLP conducted the audits of the Company’s financial statements for the fiscal years ended December 31, 2021 and 2020, which were prepared in accordance with accounting principles generally accepted in the U.S. and appear in this prospectus.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of business. Some potential market risks are discussed below:

Market Risk

Strategic and operational risks arise if we fail to carry out business operations and/or to raise sufficient equity and/or debt financing. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Currency Risk

Our operating results and financial position are reported in U.S. dollars. Some of our financial transactions are denominated in currencies other than the U.S. dollar. The results of operations are subject to currency transaction risks.

We have no hedging agreements in place with respect to foreign exchange rates. We have not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Credit Risk

Management does not believe that the Company currently has credit risk related to its operations, as the Company’s revenue is generated primarily through cash transactions. Concentrations of credit risk with respect to our cash and cash equivalents are limited primarily to amounts held with financial institutions. Credit risk related to operations could increase as the Company continues to expand wholesale operations.

Price Risk

Price risk is the risk of variability in the fair value due to movements in equity or market prices. Our investments, primarily mutual funds, are susceptible to price risk arising from uncertainties about their future outlook, future values and the impact of market conditions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Cash equivalents bear interest at market rates. The majority of our financial debts have fixed rates of interest and therefore our exposure is limited.

Inflation Risk

If our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition, and operating results.

Asset Forfeiture risk

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

Banking Risk

Notwithstanding that a majority of states have legalized medical marijuana, there has been no change in U.S. federal banking laws related to the deposit and holding of funds derived from activities related to the marijuana industry. Given that U.S. federal law provides that the production and possession of cannabis is illegal, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty accessing the U.S. banking system and traditional financing sources. The inability to open bank accounts with certain institutions may make it difficult to operate the businesses of Jushi, its subsidiaries and investee companies, and leaves their cash holdings vulnerable. We have banking relationships in all jurisdictions in which we operate.

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Overview

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. We are focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license markets. We have targeted assets in highly populated, limited licensed medical markets that are on a trajectory toward adult-use legalization, including Pennsylvania and Ohio, markets that are in the process of transitioning to adult-use, namely Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada and Massachusetts, and certain municipalities of California.

Business Strategy

Our business strategy is to find market opportunities with favorable relevant local competitive and regulatory landscapes, supply/demand dynamics, and growth potential. We evaluate the economic viability of each opportunity before making capital allocation decisions and may decide to participate in one or more facets of the supply chain based on the dynamics of each individual market. In certain markets, we may seek to apply a capital-light or retail-focused strategy, especially where cultivation may become further commoditized in future years. In limited license medical markets (e.g., Pennsylvania), or markets in the process of transitioning to adult-use (e.g., Virginia), we may seek to expand our cultivation assets despite the high level of capital investment required, given the significant market opportunity. Also, in other markets, we may seek a more balanced capital allocation approach where we may acquire a grower-processor and/or additional retail dispensaries in a market where we currently operate, such as Illinois, Ohio, California, Massachusetts, and Nevada. Lastly, in limited license adult-use cannabis markets that are expanding, we may allocate significant capital to acquire a vertically integrated operator. By establishing a strong platform and retail-brand recognition in markets that have the greatest growth potential, we expect to be well-positioned for future growth in adult-use cannabis once it is further legalized.

Growth Strategy

We remain intensely focused on expanding our retail presence in current markets while pursuing acquisition opportunities across the supply chain in limited license markets that complement our existing portfolio. Our financial capacity allows us to operate from a position of strength and it is expected that such financial capacity will help us emerge as an even stronger player in this industry. We plan to implement our growth strategy by expanding our presence in current markets, increasing our offering of branded product lines, targeting acquisition opportunities across the supply chain, and applying for de novo licenses.

Current Operations

Retail

We operate eighteen medical cannabis dispensaries, under our BEYOND/HELLO™ brand, in the Commonwealth of Pennsylvania.

We operate four adult-use (with two co-located medical) cannabis dispensaries, under our BEYOND/HELLO™ brand, in the State of Illinois. Additionally, our partner was awarded a conditional retail dispensary license in Illinois via the state's lottery process.

We operate two medical cannabis dispensaries, under our BEYOND/HELLO™ brand, in the Commonwealth of Virginia. We are permitted to open four additional dispensaries in the Commonwealth of Virginia, subject to local zoning and state regulatory approvals.

We operate two adult-use cannabis dispensaries, under our Nature's Remedy™ brand, in the Commonwealth of Massachusetts (with one co-located medical).

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We operate four adult-use and medical retail dispensaries in Nevada in the Las Vegas and Lake Tahoe areas.

In Ohio, our 100% owned subsidiary, Campbell Hill Ventures, was awarded a provisional medical marijuana dispensary license in the medical marijuana retail lottery and is awaiting certification of licenses by the Ohio Board of Pharmacy.

We operate three medical and adult-use cannabis dispensaries, under our BEYOND/HELLO™ brand, in the State of California located in the City of Santa Barbara, the City of Palm Springs and the City of Grover Beach. Our Palm Springs dispensary's operations were voluntarily suspended while the store undergoes significant renovations and is expected to resume operations in the third quarter of 2022.

Online Platforms

We operate three age-gated online platforms through www.beyond-hello.com, www.naturesremedyma.com, and www.nuleafnv.com for patients and customers (the Online Platforms). The Online Platforms are not intended to be used for advertising activities but are intended to be used as a virtual tool, allowing patients and customers to understand the cannabis products that we offer and view real-time pricing and product availability at our dispensaries. The Online Platforms do not provide any information or any other functionalities with respect to any third-party dispensaries.

No cannabis purchase and sale transactions occur on the Online Platforms. A patient or customer may reserve products using the Online Platforms, but the patient or customer must be physically present at the point-of-sale to consummate the purchase and sale of products. This requirement allows us and dispensary staff to ensure that the standard operating procedures (including its compliance program(s)) are applied to all patients and customers in connection with the purchase and sale of products.

In jurisdictions where medical cannabis is legal, upon arrival of the patient at the applicable dispensary, or at the point of delivery (where permissible), dispensary staff must verify the patient's identity and accreditation (such as a state-issued medical cannabis card) and confirm the patient's allotment to ensure the user is not exceeding the state's allotment limits. Once the foregoing is verified, the patient may pay for the product(s) to complete the purchase. If the patient does not have valid identification and accreditation, the patient will not be able to purchase medical cannabis at our applicable dispensary, or at the point of delivery (where permissible), irrespective of any reservation(s) made on one of our Online Platforms.

In jurisdictions where recreational cannabis is legal, upon arrival of the customer at the applicable dispensary, or at the point of delivery (where permissible), dispensary staff must verify that the customer is at least 21 years of age by verifying the customer's government-issued identification. Once the identification is verified, the customer may pay for the product(s) to complete the transaction. If the customer does not have valid identification, the customer will not be able to purchase recreational cannabis at our applicable dispensary, or at the point of delivery (where permissible), irrespective of any reservation(s) made on one of our Online Platforms.

As of May 3, 2022, we no longer sell our "Nira" branded products through our CBD e-commerce platform (www.niracbd.com).

Cultivation & Production

We are currently engaged in cannabis cultivation and production operations in Pennsylvania, at our grower-processor facility operated by PAMS. On November 23, 2020, we

announced our intention to launch a phased expansion of the PAMS facility to better serve the growing medical cannabis market in the Commonwealth of Pennsylvania. The first phase of the expansion is expected to expand the facility from 81,000 sq. ft. to 123,000 sq. ft., increase total canopy from approximately 16,000 sq. ft. to approximately 35,000 sq. ft., and increase annual biomass capacity from about 8,000 lbs. to approximately 22,000 lbs. Phase one is expected to be completed by the end of summer 2022, subject to regulatory approvals. Phase two of the expansion, which would commence pending favorable regulatory developments in the Commonwealth, such as adult-use legislation, is expected to increase the PAMS facility from 123,000 sq. ft. to 210,000 sq. ft., increase total canopy from 35,000 sq. ft. to approximately 107,000 sq. ft., and increase annual biomass capacity from about 22,000 lbs. to approximately 60,000 lbs. In addition to these two contemplated phases of buildout, PAMS continues to assess and develop further expansion opportunities at the Pennsylvania Facility to meet the needs of patients and wholesale market demand, now and in the future.

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We are also engaged in cannabis cultivation and processing in Virginia. Through our subsidiary Dalitso, we operate the Manassas Facility, which allows us to cultivate, process, dispense and deliver medical cannabis to registered patients in Virginia. The Manassas Facility is approximately 93,000 sq. ft., of which approximately 30,000 sq. ft. is currently built out for operations.

In May 2021, we began phase one of the expansion of the existing facility, which is expected to add approximately 63,000 sq. ft. of cultivation, manufacturing and processing capacity, and be completed by the end of summer 2022. At full capacity, the facility will have approximately 19,000 sq. ft. of canopy and an annual biomass production capacity of approximately 12,000 lbs. that should begin to come to market by the third quarter 2022. We are also in the design phase of constructing a second connected on-site building that would also be built in two phases (phase two and phase three), pending regulatory developments. Phase two of the second building is expected to increase the facility from 93,000 sq. ft. to 195,000 sq. ft., increase total canopy from about 19,000 sq. ft. to approximately 54,000 sq. ft., and increase annual biomass production from about 12,000 lbs. to approximately 35,000 lbs. We anticipate commencing phase two of the expansion when there is clear line of sight into the timing of the state's regulatory developments surrounding the beginning of an adult-use sales program. Phase three would add another approximately 68,000 sq. ft. to the facility, 69,000 sq. ft. of canopy, and 45,000 lbs. of annual biomass production for a total of approximately 263,000 sq. ft., 123,000 sq. ft. of canopy, and 80,000 lbs. of annual biomass capacity. Dalitso's planned buildout of the VA Facility, enables Dalitso to efficiently produce a consistent supply of medical cannabis products as patient access improves and the medical cannabis program continues to mature and expand.

In September 2021, we closed on our acquisition of Nature's Remedy. Nature's Remedy currently operates a 50,000 sq. ft. cultivation and production facility in Lakeville, MA with high-quality, indoor flower canopy and state-of-the-art extraction and manufacturing capabilities (the "Lakeville Facility"). The Lakeville Facility recently completed an expansion to approximately 33,000 sq. ft. of canopy during the second half of 2021. As part of the expansion, Nature's Remedy expects to increase annual biomass production to approximately 21,000 lbs. The Lakeville Facility could potentially accommodate an additional 18,000 to 20,000 sq. ft. of flower canopy through the expansion into approximately 26,000 sq. ft. of adjacent space in the existing building. Nature's Remedy is also evaluating further expansion opportunities in the existing Lakeville industrial complex and/or land owned by Nature's Remedy in Grafton, Massachusetts. These expansions are subject to business evaluations and needs, and receipt of applicable regulatory approvals.

Further, in Nevada, through our subsidiary FBS NV, we engage in cultivation and production operations in North Las Vegas, Nevada, and are permitted to purchase and/or sell cannabis and cannabis products to other authorized licensees on a wholesale basis. Pursuant to the hemp handler license, FBS NV is also permitted to handle raw industrial hemp, purchase hemp-derived constituents (such as hemp-derived CBD) from licensed hemp operators, and to infuse or manufacture products containing hemp-derived constituents. FBS NV operates a 7,200 sq. ft. facility featuring a state-of-the-art, indoor, double-stacked cultivation that yields approximately 2,800 lbs. of high-quality dry flower per year. FBS NV plans to create a single production space for a total of approximately 17,400 sq. ft., which is expected to add approximately 5,300 sq. ft. of canopy to the facility's cultivation capacity.

On April 6, 2022, we expanded our capabilities in Nevada by acquiring NuLeaf, a Nevada-based vertically integrated business operating a 27,000 sq. ft. cultivation facility in Sparks, NV, and a 13,000 sq. ft. processing facility in Reno. NuLeaf's cultivation operations span 27,000 sq. ft. over two floors in a 15,000 sq. ft. building in Sparks, NV. The building is equipped with ten single-stacked flower rooms, with a flower canopy encompassing approximately 6,800 sq. ft., and a custom automation system for controlled temperature, humidity, lighting, and CO2 enrichment. NuLeaf also operates a separate 13,000 sq. ft. processing facility in Reno, NV. The facility currently has hydrocarbon extraction capabilities and can hold an additional extraction unit within the existing space.

In August 2021, we completed the acquisition of FBS OH, a licensed medical marijuana processor in Ohio. FBS OH operates an 8,000 sq. ft. state-of-the-art processing facility located in Columbus. Additionally, we have acquired Ohio Green Grow LLC and OhiGrow located in Toledo. OhiGrow holds a Level II cultivation license that allows for an initial 3,000 sq. ft. of cultivation area. OhiGrow currently operates approximately 1,900 sq. ft. of canopy in a free-standing building. There is additional available vacant space on the property, which can be further developed. We intend to apply for the necessary approvals to expand the OhiGrow facility's cultivation area to the maximum currently permitted under the Level II cultivation license.

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Product Selection and Offerings

With respect to our cannabis business, senior leaders from the business development, operations, finance, marketing, and sales teams negotiate with potential brand vendors across all product categories including flower, vape pens, oils, extracts, edibles and pre-rolls to make future product selection decisions. Leveraging managements' experience, we analyze market dynamics, product quality, profit and loss, impact and consumer demand to carry out our long-term strategy in each market. With high-impact retail locations in key markets, we expect to be a desirable partner for nationally scaling brands and/or in-house products.

In Pennsylvania, Virginia, Massachusetts, and Nevada, our dispensaries sell our own in-house brands and a variety of third-party cannabis products, including, cannabis dry flower, vaporizer forms of cannabis, edibles (where permissible), cannabis oil in capsule, tinctures, cannabis in topical products, and other cannabis products. In Illinois and California, our dispensaries sell a variety of third-party cannabis products, including cannabis dry flower, vaporizer forms of cannabis, cannabis oil in capsule, tinctures, cannabis in topical products, cannabis edible products and other cannabis products. In Ohio, we wholesale a series of brands and products in the state, which are currently available for purchase at partner dispensaries across Ohio.

In connection with such cultivation and processing, we intend to utilize intellectual property, including trademarks, trade secrets, extraction techniques, concentrates and other proprietary information related to our cannabis brands within the states such cannabis brands are marketed and sold. We own the domains jushico.com, beyond-hello.com, thebankflower.com, findthelab.com, thetasteology.com, niraplus.com, secheflower.com, niracbd.com, and several related domains. We have received state approval to produce and market these products under such brands where applicable. We will pursue trademark registration of material brands with the U.S. Patent and Trade Office promptly following a change in the U.S. Patent and Trade Office's policy position towards cannabis products, which currently does not accept such registrations, or a change in related laws. We rely on non-disclosure and confidentiality agreements to protect our intellectual property rights. These brands and formulations include:

Jushi relaunched its acquired, award-winning Colorado brand, The Bank known for its superior plant genetics and next-level cultivation. The Bank offers pre-packaged flower, infused blunts and pre-rolls comprised of three tiered lines: Gold Standard, Cache and Vault each offering varying degrees of quality, availability and price. Currently, The Bank is available at our BEYOND/HELLO™ locations in Pennsylvania and Virginia, our NuLeaf and Nature's Remedy branded dispensaries in Nevada and Massachusetts, respectively, and other licensed retailers across these markets.

Vapes & Concentrates: The Lab

We relaunched another of our acquired, award-winning Colorado brand, The Lab, renowned for high-quality, precision vape products, and concentrates, including the pioneering of live resin. The Lab offers a wide selection of vape cartridges, disposables and concentrates. The Lab products are available at dispensaries across Pennsylvania, Virginia, Massachusetts, Nevada, and Ohio, including our BEYOND/HELLO™ locations in Pennsylvania and Virginia, our NuLeaf stores in Nevada, and our Nature's Remedy locations in Massachusetts.

Within The Lab brand family, we launched our first line of solventless live rosin extracts, The new top-shelf product line, produced purely from premium flower and extracted simply with ice and water, includes a 0.5g vape extract cartridge available now and 1g jarred concentrates coming soon for purchase exclusively at BEYOND/HELLO™ store locations in Pennsylvania under the name, The Lab™ Solventless Live RSN. It is also expected to launch at our Nature's Remedy locations in Massachusetts, our NuLeaf stores in Nevada, and our BEYOND/HELLO™ stores in Virginia, pending regulatory approval.

Also, within The Lab brand family, we debuted our first line of concentrates made using hydrocarbon extraction. The Lab™ Live Resin is the second of several single-source concentrate product lines to be launched. Initially, we will exclusively carry The Lab™ Live Resin 500mg full-spectrum 0.5 gram 510 cartridges at BEYOND/HELLO™ retail locations in Pennsylvania. We plan to roll out our hydrocarbon-extracted line at partner dispensaries across the Commonwealth in the coming months, as well as in additional states such as Massachusetts, Virginia and Nevada. We also plan to launch a 300mg rechargeable, all-in-one 0.3g vape and a variety of 1 gram jarred cured concentrates in the coming months, pending regulatory approval.

Edibles: Tasteology

Jushi launched Tasteology, an edible brand offering premium, real fruit, cannabis-infused gummies and chewable tablets. Tasteology is the culmination of extensive consumer research into both the taste and effect preferences of people in Jushi's markets where edibles can be offered. Currently, Tasteology is available at dispensaries in Nevada and Ohio as well as BEYOND/HELLO™ dispensaries in Virginia. Tasteology products are expected to launch in Massachusetts in the second quarter of 2022, pending regulatory approval.

Medicinal: Nira + Medicinals

Nira + Medicinals (Nira +) develops high-quality, THC and CBD-rich medical products aimed at improving the quality of life for all cannabis patients. Nira+ product line includes tinctures, capsules, softgels and topicals. Currently, Nira+ is available at dispensaries across Pennsylvania, including our BEYOND/HELLO™ locations in Pennsylvania. Nira+ is expected to launch at Nature's Remedy retail locations and partner dispensaries in Massachusetts in the second quarter of 2022, pending regulatory approval.

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Fine Grind (Shake), Fine Flower (Popcorn) and Singles (Pre-Rolls): Sèchè

Sèchè is a new category in cannabis that redefines the perception of value products like shake and popcorn. Sèchè offers products like Fine Grind (Shake), Fine Flower (Popcorn) and Singles (Pre-Rolls). Currently, Sèchè is available at dispensaries across Virginia, Nevada, Ohio, Massachusetts, and Pennsylvania, including at the Company's BEYOND/HELLO™ locations in Virginia and Pennsylvania, our NuLeaf stores in Nevada, as well as Nature's Remedy stores in Massachusetts.

CBD: Nira

As of May 3, 2022, we no longer sell "Nira" branded CBD products through our online store (www.niracbd.com).

In addition to branded and manufactured finished products, we plan to sell bulk refined cannabinoids and terpenes to vendors for use in their own finished products, as its production capacity increases in certain markets. The full scale and allocation of production utilization will depend upon the scale of our owned and managed retail footprint in addition to the production capacity of our cultivation and production facilities.

Branding and Marketing

We continue the rollout of our flagship retail brand BEYOND/HELLO™ across our key operating markets. After the launch of our online pre-ordering platform, BEYOND/HELLO™ has evolved into a fully integrated digital to brick-and-mortar experience, providing customers real-time access to pricing and product availability. All of our current retail locations operate under the BEYOND/HELLO™ brand except in Massachusetts and Nevada. In Massachusetts our retail locations operate under the Nature's Remedy brand, and in Nevada, we operate three retail locations under the NuLeaf brand and one under the Apothecarium brand. We are planning for our future retail locations in Virginia, California, and other states to operate under the BEYOND/HELLO™ brand as well.

We operate a state-by-state opt-in loyalty program, "The Hello Club," that rewards patients and customers with points and other exclusive offers based on their past purchases. We leverage SMS and email lists to promote specific products.

We provide retail partners with approved merchandise, and other display materials to support sales. We create product imagery, video and descriptions which are included across online dispensary menus where our products are sold.

We take advantage of various directory platforms for cannabis businesses to help prospective patients and customers find our respective retail locations. We also run out-of-home marketing campaigns in approved markets and locations for our retail dispensaries.

Sales and Distribution

With respect to cannabis retail locations, we target highly visible locations adjacent or near heavily trafficked roads. For cultivation, production and other forms of industrial activity, we target locations with immediate capabilities as well as future expansion potential. We use an internal team for the selection of real estate, as well as a broad network of real estate brokers. We make its determination to purchase or lease its underlying real estate on a case-by-case basis.

We plan to expand our network of cannabis retail locations in select markets. We have developed key indicators to identify attractive sites based on existing competition, population, real estate, parking, traffic and regulatory market attractiveness. We intend to educate patients and consumers about our product offerings in a welcoming environment through one-on-one interactions with staff.

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Principal Markets & Competition

We compete against other retail and vertical licensees across the various state markets that we operate in. In certain markets, such as California, many of our competitors are small local dispensaries; however, we expect to compete against both large Multi-State Operators (MSO), as well as Canadian licensed producers, if and when cannabis is federally legal in the U.S. A "Multi-State Operator" is a colloquial term used to describe a company that engages in the cultivation, production and/or sale of cannabis and cannabis products in more than one state in accordance with applicable state and local laws, rules and regulations. In addition, we expect to compete against both third party and direct delivery services. We seek to address our competitive risk in these markets by picking strategic locations, with defensible buffers naturally built in through local regulations and local dispensaries laws.

With respect to cultivation and production, we compete with both MSO's and local operators in the states in which we operate. In Pennsylvania, Virginia, Ohio, Massachusetts, and Nevada, we compete with larger MSO's that may have access to public markets, more experienced management teams, or further along in terms of reaching scale. We are positioning ourselves to minimize all of the above risks through accretive acquisitions, superior execution, and thoughtful location of retail and manufacturing sites.

Business in Europe

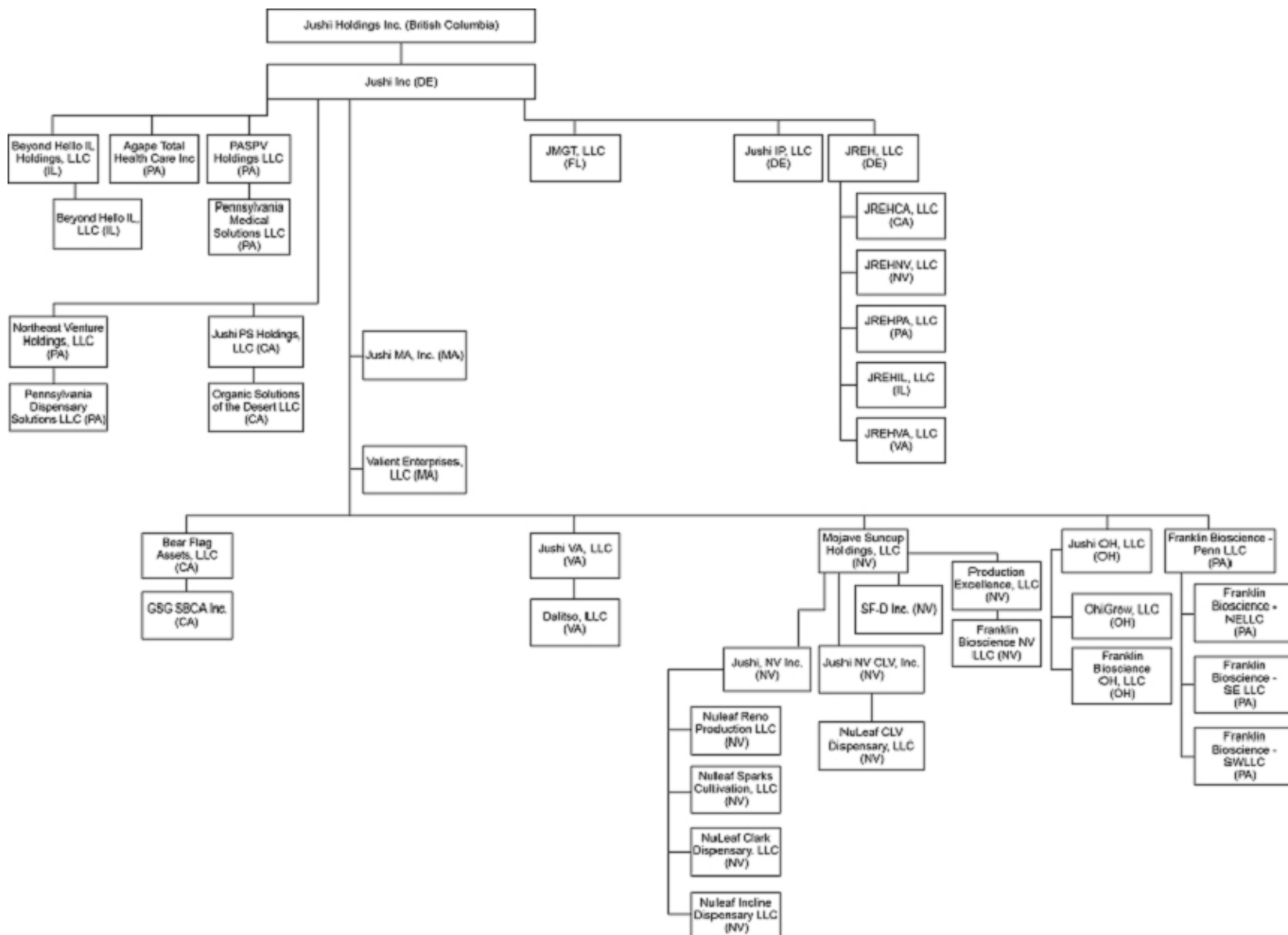
We hold a 51% interest in Jushi Europe SA, a business entity organized under the laws of Switzerland (Jushi Europe). Jushi Europe's wholly owned Portuguese subsidiary, JPTREH Unipessoal Limitada, a business entity organized under the laws of Portugal (Jushi Portugal), submitted an application to Portugal's National Authority for Medicines and Health Products (INFARMED) for import, cultivation and export of medical cannabis. Jushi Portugal was granted a pre-license on November 9, 2020. Jushi Portugal acquired 32 acres of land to construct a greenhouse cultivation facility in southern Portugal. The build-out of the greenhouse cultivation facility commenced, but was subsequently halted.

On February 22, 2022, Jushi Europe filed a notice of over-indebtedness with the Swiss courts. Then on March 14, 2022, the auditor for Jushi Europe also filed a notice of over-indebtedness with the Swiss courts. Both notices are pending with the Swiss courts. As a result of the impending bankruptcy of Jushi Europe, we determined that the assets of Jushi Europe were impaired and recognized an impairment loss of \$4.6 million for the year ended December 31, 2021, which is included in operating expenses in the consolidated statements of operation and comprehensive income (loss).

Neither Jushi Europe nor Jushi Portugal operates nor plans to operate in any emerging markets (as defined by OSC Staff Notice 51-720 -*Issuer Guide for Companies Operating in Emerging Markets*).

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Organizational Structure



The organizational chart of Jushi and our material subsidiaries, including the percentage of voting securities of each material subsidiary held by us, either directly or indirectly, and their respective jurisdictions of incorporation, continuance, formation or organization as at the date of this Prospectus, is set forth below. Unless otherwise noted in the box containing the name of the applicable subsidiary, the parent of such subsidiary owns 100% of the outstanding securities of such subsidiary.

Regulatory Overview

Below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where we are currently directly involved, through our subsidiaries, in the cannabis industry.

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Federal Regulation of Cannabis in the U.S.

Under U.S. federal law, marijuana is classified as a Schedule I drug. The CSA has five different tiers or schedules. A Schedule I drug means the Drug Enforcement Agency considers it to have a high potential for abuse, no accepted medical treatment, and lack of accepted safety for the use of it even under medical supervision. Other Schedule I drugs include heroin, LSD and ecstasy. In June 2018, the U.S. Food and Drug Administration (the FDA) approved Epidiolex, a purified form of CBD derived from the marijuana plant and used to treat two rare, intractable forms of epilepsy. We believe marijuana's categorization as a Schedule I drug is thus not reflective of the medicinal properties of marijuana or the public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties, and can be safely administered. In this respect, 37 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have passed laws authorizing comprehensive, publicly available medical marijuana programs, and 19 of those states and the District of Columbia have passed laws legalizing marijuana for adult-use.

In an effort to address incongruities between marijuana prohibition under the CSA and legalization under various state laws, the federal government issued guidance to law enforcement agencies and financial institutions during the Obama Administration through Department of Justice (DOJ) memoranda. The most recent such memorandum is a DOJ memorandum issued by Deputy Attorney General James Cole in 2013 (the Cole Memo). The Cole Memo provided guidance to federal enforcement agencies as to how they should prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The Cole Memo shielded individuals and businesses participating in state-legal marijuana operations from prosecution under federal drugs laws, excepting marijuana-related conduct that fell into one of the following enumerated prosecution priorities:

1. Preventing the distribution of marijuana to minors;
2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
3. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
4. Preventing the state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
5. Preventing the violence and the use of firearms in the cultivation and distribution of marijuana;
6. Preventing the drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
7. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
8. Preventing marijuana possession or use on federal property.

On January 4, 2018, then U.S. Attorney General Jeff Sessions issued the Sessions Memo, which rescinded the Cole Memo. Rather than provide nationwide guidance respecting marijuana-related crimes in jurisdictions where certain marijuana activity was legal under state law, the Sessions Memo instructs that "[i]n deciding which marijuana activities to prosecute. With the DOJ's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions." Namely, these include the seriousness of the offense, history of criminal activity, deterrent effect of prosecution, the interests of victims, and other principles. Former U.S. Attorney General Jeff Sessions resigned in November 2018 and was replaced by Matthew Whitaker as interim Attorney General. In February 2019, William Barr was sworn in as Attorney General. Mr. Barr resigned as Attorney General on December 23, 2020 and Merrick Garland was sworn in as Attorney General in March 2021. It is unclear what impact, if any, the new administration will have on U.S. federal government enforcement policy on cannabis.

Despite rescission of the Cole Memo, we remain mindful of the common-sense prosecution priorities set forth therein and have not modified policies or procedures intended to support its underlying safety-focused intent. To this end, we and our operating subsidiaries adhere to industry best practices for operations, mandate strict compliance with applicable state and local laws, rules, regulations, ordinances, guidance and like authority, implement procedures designed to ensure operations do not exceed what is authorized under applicable licenses, perform stringent diligence on third-parties with whom it does business, performs background checks on employees, and maintains state-of-the-art seed-to-sale inventory tracking and other security infrastructure. Regular reviews of the foregoing and related operations, premises, documentation and the like are performed to ensure compliance with our safety, security and compliance standards.

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Due to the CSA categorization of marijuana as a Schedule I drug, U.S. federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the Bank Secrecy Act. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to account for the trend towards legalizing medical and adult-use marijuana by U.S. states, FinCEN has issued guidance in 2014 to prosecutors handling money laundering and other financial crimes advising them not to focus enforcement efforts on banks and other financial institutions servicing marijuana-related businesses so long as such businesses are legally operating under state law and not engaging in conduct within the scope of a Cole Memo prosecution priority (such as keeping marijuana away from minors and out of the hands of organized crime). The 2014 FinCEN guidance also clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

1. Verifying with the appropriate state authorities whether the business is duly licensed and registered;
2. Reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its marijuana-related business;
3. Requesting from state licensing and enforcement authorities available information about the business and related parties;
4. Developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus adult-use customers);
5. Ongoing monitoring of publicly available sources for adverse information about the business and related parties;
6. Ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and
7. Refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk.

With respect to information regarding state licensure obtained in connection with such customer due diligence, the 2014 FinCEN guidance allows financial institutions to reasonably rely on the accuracy of information provided by state licensing authorities where states make such information available.

Unlike the Cole Memo, 2014 FinCEN guidance remains effective as of the date of this Prospectus, and Secretary Mnuchin has publicly voiced his intent to leave such guidance in force and effect. Despite FinCEN's guidance, most banks and other financial institutions are still unwilling to provide banking or other financial services to marijuana businesses resulting in largely cash-based operations. While the FinCEN guidance decreased some risk for banks and financial institutions that accept marijuana business, it has not increased the industry's access to banking services because financial institutions are required to perform extensive, continuous customer diligence respecting marijuana customers and are not immune from prosecution based transacting business with such customers. In fact, some banks that had been servicing marijuana businesses have been closing the marijuana businesses' accounts and are now refusing to open accounts for new marijuana businesses due to cost, risk, or both.

Although the Cole Memo was rescinded and FinCEN's guidance has not made financial services widely available to legal marijuana businesses, a key legislative safeguard for the medical cannabis industry remains in place. Specifically, certain temporary federal legislative enactments that protect the medical marijuana industry have also been in effect. For instance, certain marijuana businesses receive a measure of protection from federal prosecution by operation of a temporary appropriations measures that has been enacted into law as an amendment or "rider" to federal spending bills passed by Congress and signed by both Presidents Obama and Trump. First adopted in the Appropriations Act of 2015, Congress has since included in successive budgets a "rider" that prohibits the DOJ from expending any funds to enforce any law that interferes with a state's implementation of its own medical marijuana laws. The rider is known as the "Rohrabacher-Farr" Amendment after its original lead sponsors (it is also sometimes referred to as the "Rohrabacher-Blumenauer" Amendment or the Joyce-Leahy Amendment).

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Though there is no guarantee the Biden Administration or a future Administration will not change relevant federal policy, as a practical matter, the legal marijuana industry has not seen a material change in federal enforcement activities since rescission of the Cole Memo. However, it is possible existing appropriation rider protection and existing prosecutorial discretion not to enforce federal drugs laws against state-legal marijuana business could change at any time.

On July 14, 2021, Senate Majority Leader Chuck Schumer (D-NY) and Senators Cory Booker (D-NJ) and Ron Wyden (D-OR) released a discussion draft of their co-sponsored "Cannabis Administration and Opportunity Act" bill (the "CAOA"). This proposed legislation would legalize and regulate cannabis in the U.S. at the federal level. The sponsoring offices have invited the public to comment on the discussion draft through September 1, 2021. While the goals set forth in the CAO A are admirable, the discussion draft remains subject to considerable revision, and it remains unclear whether or to what extent all or portions of it may garner enough support to pass.

Finally, revenue from our marijuana operations is subject to Section 280E of the Internal Revenue Service Code (the "Code"). Section 280E of the Code prohibits marijuana businesses from deducting ordinary and necessary business expenses, resulting in a materially higher effective federal income tax rate than businesses in other industries. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be in a different industry.

Industrial Hemp

On December 20, 2018, the Agricultural Improvement Act of 2018 (the "Farm Bill") became law in the U.S. Under the Farm Bill, industrial and commercial hemp is no longer to be classified as a Schedule I controlled substance in the U.S. Hemp includes the plant *cannabis sativa* L and any part of that plant, including seeds, derivatives, extracts, cannabinoids and isomers. To qualify under the Farm Bill, hemp must contain no more than 0.3 % of delta-9-THC. The Farm Bill explicitly allows interstate commerce of hemp which will enable the transportation and shipment of hemp across state lines, thus, the Farm Bill fundamentally changed how hemp and hemp-derived products (such as those containing CBD extracted from hemp) are regulated in the U.S.

State Regulatory Environment

The following sections describe the legal and regulatory landscape in states where our subsidiaries currently operate or intend to operate in the near-term future. While we actively work to ensure all of our operations are fully compliant with applicable state and local laws, rules, regulations, licensing requirements, ordinances and other applicable governing authority, the rules and regulations as outlined below are not a comprehensive representation of all the rules that we and our subsidiaries are required to follow in each applicable state. There are significant risks associated with our business and readers are strongly encouraged to carefully review and consider all of the risks set forth and described herein.

Common State Law Requirements

Although each state has its own laws and regulations regarding the operation of cannabis businesses, certain of the laws and regulations are consistent across jurisdictions. For example, to operate legally under state laws, marijuana businesses must typically obtain a license from the state. In some states, local marijuana-specific approvals are also required. In these jurisdictions, local governments may be authorized to prohibit or otherwise impose material restrictions on cannabis operations, including by proscribing rules limiting the type(s) and/or number of license(s) allowed (such authority is in addition to ordinary and customary building, fire and land use regulatory control). In many cases, securing local approval(s) is a prerequisite to state issuance of a full or unconditional license.

License application and renewal processes are unique to each state, and as applicable, each locality. However, generally each state's application process requires a comprehensive criminal history disclosure of key individuals (such as major shareholders, directors, officers, certain managers and other individuals to the extent they are known at the time of application (Key Individuals)), and as to the applicant entity (and often its affiliates) and such Key Individuals, marijuana licensing and compliance history, financial and personal disclosures, detailed operating plans, facility information (often including drawing and plans), security-related plans, an affirmative obligation to report changes to or deviations from information set forth in the application, and other information designed to ensure only reputable, law-abiding individuals and entities ready, willing and able to operate in compliance with applicable state laws, rules and regulations are awarded marijuana licenses.

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Applicants for marijuana licenses are commonly required to submit standard operating procedures (SOPs) describing how the proposed business will secure its facility(ies), manage inventory, comply with inventory tracking requirements and other reporting obligations, effectuate safe marijuana transactions, handle waste, train employees, implement quality control measures, and perform other tasks necessary and appropriate to operate in a safe, secure, and compliant manner. SOPs submitted as part of licensing applications are typically reviewed, evaluated and ultimately approved by regulators, and must generally remain in force and effect after issuance of a license. Any material change to SOPs requires prior written regulatory approval in nearly all cases. Finally, marijuana operations are continuously subject to inspection, with or without notice, by cannabis regulators and certain authorized law enforcement agencies.

California

In California, State and local medical and adult-use cannabis business licenses are renewed annually. Each year, licensees are required to submit a renewal application per guidelines published by the Department of Cannabis Control (the DCC), which is the successor regular to the Bureau of Cannabis Control. While renewals are annual, there is no limit to the number of renewals a licensee may obtain. Assuming requisite renewal fees are paid, renewal applications are submitted in a timely manner, the establishment has not been cited for material violations, renewal applicants can anticipate approval in the ordinary course of business. However, any unexpected denials, delays or costs

associated with a licensing renewal could impede planned operations and may have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

Adult-use retailer licenses permit the sale of cannabis and cannabis products to any individual age 21 years of age or older who do not possess a physician's recommendation. Thus, should a subsidiary be awarded a license, it will be authorized to sell cannabis and cannabis products to adults over the age of 21 subject to customer presentation of a valid government-issued photo ID. As with all state-legal marijuana programs, only cannabis grown in California can be sold in California and retail licensees may only sell cannabis products procured from a duly licensed distributor or licensed microbusiness authorized to engage in distribution. All cannabis products are subject to appropriate laboratory testing, packaging, labeling, and tracking requirements. Upon receipt, licensed retailers must confirm cannabis products have not expired, are properly packaged and bear batch numbers which correspond with tracking and laboratory analysis documentation. Cannabis and cannabis products may only be displayed for inspection and sale on the sales floor of the facility, and may only be removed from packaging for customer inspection if placed in a proper container provided by the licensee and not readily accessible without the assistance of licensee staff (who must remain with the customer throughout such inspection). Any cannabis product displayed or inspected in this manner must be destroyed following inspection or when no longer being using for display purposes and may not be sold or consumed. Retailers may only provide free cannabis products under certain, very limited circumstances and may not sell other goods, with the exception of cannabis accessories and branded merchandise.

Medicinal retailer licenses permit the sale of medicinal cannabis and cannabis products for use pursuant to the CUA, found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal marijuana recommendations. We maintain an open, transparent and collaborative relationship with the DCC and local-level cannabis regulators.

Reporting Requirements

The state of California has selected Franwell Inc.'s METRC solution (METRC) as the State's track-and-trace (T&T) system used to track commercial cannabis activity and movement along the legal supply chain. While METRC is interoperable with other third-party systems via application programming interface, only licensees have access to METRC itself.

Operating Procedure Requirements

Licensing applicants must submit SOPs describing how the operator will, among other requirements, secure the facility, manage inventory, comply with seed-to-sale requirements, dispense cannabis, and handle waste. Once SOPs approved by the governing regulating body(ies), licensees must provide their employees with SOP training and seek written approval from governing regulating bodies before materially changing their SOPs.

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Site-Visits & Inspections

The DCC and its authorized representatives have broad authority, with or without notice, to inspect licensed cannabis operations, including premises, facilities, equipment, books and records (which may be copied, and such copies retained), and cannabis products. Failure to grant DCC representatives full and immediate access to facilities, property, and premises, and to cooperate with inspections and investigations may result in disciplinary action. Laws and regulations enacted by many local jurisdictions grant local cannabis governing bodies and law enforcement agencies similar inspection authority.

Storage and Security

To ensure the safety and security of cannabis facilities and operations, the DCC requires licensees to:

1. Maintain a fully operational security alarm system;
2. Contract for security guard services;
3. Maintain a video surveillance system that records continuously 24 hours a day;
4. Ensure adequate lighting is installed and maintained on and about licensed facilities;
5. Only transact business during authorized hours of operations;
6. Store cannabis and cannabis product only in areas identified for such purposes on drawings submitted to and approved by the State in connection with licensing;
7. Store all cannabis and cannabis products in a secured, locked room or a vault;
8. Report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and
9. To the extent applicable based on a licensee's authorized scope of operations, ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the DCC, that meet DCC distribution requirements, are to be used to transport cannabis and cannabis products.

In addition to DCC storage and security requirements, local jurisdictions may have additional storage and security requirements. Such requirements, to the extent they exist, may vary from one locality to another.

We are in compliance with the laws of the State of California and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation which are outstanding which may have an impact on our licenses, business activities or operations in the State of California. Notwithstanding the foregoing, like most businesses, we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of California, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of California. See "Regulatory Framework – Compliance".

We, through our subsidiaries, currently holds three (3) medical and adult-use cannabis business licenses to operate dispensaries in Santa Barbara, California, Palm Springs, California and Grover Beach, California. Our dispensaries located in Santa Barbara and Grover Beach are currently operational. Our Palm Springs dispensary's operations were voluntarily suspended while the store undergoes significant renovations and is expected to resume operations in the third quarter of 2022. In addition, one of our subsidiaries entered into a long-term lease agreement for a bespoke, ground-up build in Culver City. We also received approval to move forward in the merit-based application process as one of three selected applicants for a storefront retail (and ancillary delivery) permit in Culver City, California, and we estimate the Culver City dispensary will be operational in the first quarter of 2023.

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In January 2014, the Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with certain debilitating or “qualified” medical conditions to access medical marijuana, became effective. There are over 35 qualifying conditions as part of the medical program, including epilepsy, traumatic brain injury, and post-traumatic stress disorder. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program, that allows individuals who have/ could receive a prescription for opioids to access to medical marijuana.

In June 2019, Illinois legalized adult-use marijuana pursuant to the Cannabis Regulation and Tax Act (the IL Act). Effective January 1, 2020, Illinois residents 21 years of age and older may possess up to 30 grams of marijuana (non-residents may possess up to 15 grams). The IL Act authorizes the Illinois Department of Financial and Professional Regulation (IDFPR) to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 1, 2020 and an additional 110 conditional licenses during 2021 (no person may hold a financial interest in more than 10 Dispensing Organizations); however, conditional licenses have yet to be issued due to procedural delays related to litigation against the State of Illinois to which we are not currently a party to. Existing medical dispensaries were able to apply for an “Early Approval Adult Use Dispensing Organization License” to serve adult users at an existing medical dispensary or at a secondary site. The IDFPR has granted approximately 48 Early Approval Adult Use Dispensing Organization licenses to date. The IDFPR also held an application period for Conditional Adult Use Cannabis Dispensary Licenses from December 10, 2019 through January 2, 2020. Licenses from this round of applications have not yet been awarded, and the anticipated award date has been delayed due to the COVID-19 pandemic and challenges to the application process.

The Illinois Department of Agriculture (the IL Ag. Department) is authorized to make up to 30 cultivation center licenses available between the state’s medical and adult-use programs. As with existing medical dispensaries, existing cultivation centers were able to apply for an “Early Approval Adult Use Cultivation Center License.” The IL Ag. Department issued approximately 21 Early Approval Adult Use Cultivation Centers to date. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 sq. ft. of canopy space. Cultivation centers are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. The IL Ag. Department is also permitted to license up to 40 craft growers and 40 infuser organizations by July 1, 2020 (license awards have been delayed due to the COVID-19 pandemic) and another 60 of each license type by the end of 2021; however, the remaining 60 craft grower licenses have yet to be awarded due to procedural delays related to litigation against the State of Illinois to which we are not currently a party to. The IL Ag. Department closed the application period for craft growers, infusers, and cannabis transporters in March 2020.

The IL Act imposes several operational requirements on adult-use licensees and requires prospective licensees to demonstrate their plans to comply with such requirements. For example, applicants for dispensary licenses must include an employee training plan, a security plan, recordkeeping and inventory plans, a quality control plan, and an operating plan. Applicants for craft growers must similarly submit a facility plan, an employee training plan, a security a record keeping plan, a cultivation plan, a product safety and labeling plan, a business plan, an environmental plan, and more.

Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy, water, and waste-management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

The IL Ag. Department is authorized to promulgate, and has promulgated, regulations for cultivators, craft growers, infuser organizations, and transporting organizations. The IDFPR is authorized to regulate dispensaries but has not yet issued adult-use regulations. Therefore, currently licensed adult-use retail operations are governed by the IL Act and adult-use retail applications submitted during the application window which closed on January 2, 2020 will be evaluated under and in accordance with the IL Act.

We, through our subsidiaries in the State of Illinois, are in compliance with applicable licensing requirements in the State of Illinois.

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To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the State of Illinois. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, “*Risk Factors – Risks Related to the Regulatory Environment*”.

Illinois Licenses

As of the date of this Prospectus, we operate four adult-use (with two co-located medical) cannabis dispensaries in the State of Illinois, located in or around the cities of Sauget, Normal and Bloomington. All four dispensaries are operated under our BEYOND/HELLO™ brand.

On August 19, 2021, Jushi’s partner Northern Cardinal Ventures, LLC was selected to receive a conditional retail dispensary license in Illinois via the state’s lottery process. The dispensary location is designated for the Peoria Bureau of Labor Statistics region in Illinois and will be BEYOND/HELLO’s fifth location in the state. The issuance of a conditional retail dispensary license to Northern Cardinal Ventures, LLC, along with other selected recipients via the state’s lottery process, is presently enjoined pursuant to ongoing litigation against the state, of which neither Northern Cardinal Ventures, LLC nor Jushi is a party to.

All medical and adult-use dispensing organizations licensed by IDFPR hold registration certificates valid for a period of one year and subject to annual renewals after required fees are paid and the organization remains in good standing. Renewals are generally communicated by IDFPR within 90 days of a license's expiration through email and include a renewal form. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Beyond Hello IL, LLC (BHIL) would expect to receive the applicable renewed license in the ordinary course of business. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations and could have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

Medical marijuana retail dispensary licenses permit BHIL to purchase cannabis and cannabis products from licensed cultivation/processing facilities and to sell cannabis and cannabis products to registered patients. The adult-use dispensing organization license permits BHIL to acquire cannabis from a licensed cultivation center, craft grower, processing organization, or another dispensary and to sell cannabis and cannabis products (and limited other items) to adult-use purchasers, registered medical cannabis patients and registered caregivers.

BHIL must operate in accordance with the representations made in its license application materials, unless otherwise approved by the IDFPR. It must include its name on the packaging of any cannabis product it sells. All medical products must be obtained from an Illinois registered medical cultivation center, while all adult-use products must be obtained from a licensed adult-use cultivation center, craft grower, processing organization, or another dispensary. BHIL must inspect and document (e.g., through the State tracking system and in accordance with SOPs) all cannabis and cannabis products it acquires for resale. Any cannabis or cannabis products not properly packaged, labeled or inconsistent with State tracking records must be rejected at the time of delivery. At all times, dispensing facilities must remain in compliance with all applicable building, fire, safety and land use laws, rules and regulations, and may not operate a drive through window or offer delivery services. BHIL may only operate during state regulated approved hours (6 a.m. to 10 p.m., daily) and must ensure two or more employees are present during all operating hours.

Each dispensary must submit a list of all third-party vendors to the IDFPR and identify all service professionals that will work at the dispensary by name and set forth a description of the services such person will provide. No service professional may work in the dispensary until his or her name is provided to IDFPR and appears on the facility's service professional list.

BHIL may not produce or manufacture cannabis or cannabis products and may not permit on-site consumption at its facilities. BHIL may only sell cannabis or cannabis products to consumers who present a valid medical cannabis registration identification card or valid government-issued photo identification (ID) evidencing the customer is 21 years of age or older. BHIL must deal with all suppliers on the same terms and may not enter into an exclusive agreement with any supplier. Further, we may not contract with, pay, or have a profit-sharing arrangement with third party groups involved in assisting individuals with finding a physician or completing the patient or participant application; nor may it pay a referral fee to a third-party group for sending it patients or participants. No more than 40% of its adult-use inventory may originate from a single supplier. Dispensing organizations are subject to inspections, with or without notice. Licensees are required to cooperate with such inspections and must make all records, plans, logs, reports and other operational documents available for inspection and copying upon request.

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Craft grower licensees are authorized to cultivate cannabis and manufacture cannabis products (including cannabis infused products), and to sell cannabis and cannabis products to licensed adult-use dispensing organizations or for use at licensed manufacturers. Transportation licensees are authorized to transport cannabis and cannabis products between licensed cannabis facilities.

Storage and Security

BHIL dispensaries must store inventory on-site in a secured and restricted-access area and enter information into the State's tracking system as required to State law and IDFPR rules. Any cannabis or cannabis products in an open or defective package, which have expired, or which we otherwise have reason to believe have been opened or tampered with must be segregated in secure storage until promptly and properly disposed of.

Dispensing facilities are also required to implement security measures designed to deter and prevent unauthorized entry into the facility (and restricted-access areas) and theft, loss or diversion of cannabis or cannabis products. In this respect, dispensing facilities must maintain a commercial grade alarm and surveillance system installed by an Illinois licensed private alarm contractor or private alarm contractor agency. We must also implement various security measures, as required by law, rule regulation or SOPs, designed to protect the premises, customers and dispensing organization agents (employees).

Reporting Requirements

The state of Illinois uses BioTrack THC as its inventory tracking system. All dispensing organization licensees are required to use a real-time, web-based inventory tracking/point-of-sale system that is accessible to IDFPR at any time, and at a minimum, tracks date of sale, amount, price, and currency. BHIL uses BioTrack THC for both inventory management and as a point-of-sale system. Licensees are also required to track each sales transaction at the time of the sale, daily beginning and ending inventory, acquisitions (including information about the supplier and the product) and disposal.

Transportation Requirements

Currently, licensed cultivation centers may transport cannabis and cannabis products in accordance with certain guidelines; however, cultivation centers will be prohibited from transporting adult-use cannabis without obtaining a separate transporting organization license beginning on July 1, 2020, provided that such prohibition was and remains suspended pursuant to Executive Order 2020-45. For medical marijuana, dispensing organizations must receive a copy of the shipping manifest prepared by the cultivation center in advance of transport and is required to check the product delivered against such manifest at the time of delivery. All cannabis and cannabis products must be packaged in properly labeled and sealed containers and may not be accepted by a dispensary recipient if packaging is damaged or labels are missing, damaged or tampered with.

We are in compliance with the laws of the State of Illinois and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the State of Illinois. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Illinois, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Illinois. See *"Regulatory Framework – Compliance"*.

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Massachusetts

Massachusetts Regulatory Landscape

Cannabis for medical use was legalized in Massachusetts by a voter approval of the Massachusetts Medical Marijuana Initiative in 2012. The law took effect on January 1, 2013, eliminating criminal and civil penalties for the possession and use of up to a 60-day or ten (10) ounce supply of marijuana for medical use for patients possessing a State-issued registration card. On November 8, 2016, Massachusetts voters approved Question 4 or the Massachusetts Marijuana Legalization, Regulation and Taxation of Marijuana Initiative, which allowed for recreational or "adult-use" cannabis in the Commonwealth. On July 28, 2017, the Cannabis Control Commission (the CCC) was established under Chapter 55 of the Acts of 2017 to implement and administer laws enabling access to medical and adult-use cannabis. The Commission was appointed on September 12, 2017. On November 16, 2018, the CCC issued the first notices for retail marijuana establishments to commence adult-use operations in Massachusetts. Under the current law, there are no State-wide limits on the total number of licenses issued; however, no individual or entity shall be an owner or a controlling person over more than three licenses in a particular class of license. Similarly, no individual, corporation or other entity shall be an owner or in a position to control the decision making of more than three licenses in a particular class of license. In addition, all marijuana establishments are required to enter into host community agreements with the municipality in which they are located.

Massachusetts Licenses

Through an affiliate we acquired the licenses previously held by Nature's Remedy, which include one (1) final adult-use cultivation license, one (1) final adult-use product manufacturer license and two (2) final adult-use retailer licenses in the Commonwealth of Massachusetts. Nature's Remedy also holds one (1) provisional license for adult-use cultivation. Furthermore, Nature's Remedy held one (1) medical license that permits vertically-integrated operations including the ability to maintain one (1) medical marijuana dispensary in the Commonwealth of Massachusetts. Under the terms of the adult-use marijuana cultivator license, the licensee may cultivate, process and package marijuana, and to transfer marijuana products to marijuana establishments, but not to consumers. An adult-use marijuana product manufacturer is an entity authorized to obtain, manufacture, process and package marijuana and marijuana products, to transfer marijuana and marijuana products to marijuana establishments, but not to consumers. An adult-use marijuana retailer is an entity authorized to purchase, repack, and transport marijuana and marijuana products from marijuana establishments and to transfer marijuana and marijuana products to marijuana establishments and to sell to consumers. The medical marijuana treatment center (MTC) licenses are vertically integrated and

permit a licensee to cultivate, manufacture, process, package, transport, deliver sell, and purchase marijuana pursuant to the terms of the medical licenses. Massachusetts does not issue a single vertically integrated adult-use license like the MTC license. License types for adult-use are individual for each function and a licensee may pursue multiple license types. Because marijuana is not federally legal, a licensee can sell only cannabis that is grown and manufactured in the Commonwealth of Massachusetts. An adult-use marijuana retailer provides a retail location which may be accessed by consumers 21 years of age or older or, if the retailer is co-located with a MTC by individuals who are registered qualifying patients with the Medical Use of Marijuana Program with a registration card. In order for a customer to be dispensed marijuana, they must present a valid government issued photo ID immediately upon entry of the retail facility. If the individual is younger than 21 years old but 18 years of age or older, he or she shall not be admitted unless he or she produces an active medical registration card issued by the CCC. If the individual is younger than 18 years old, he or she shall not be admitted unless he or she produces an active medical registration card and is accompanied by a personal caregiver with an active medical registration card. In addition to the medical registration card, registered qualifying patients 18 years of age and older and personal caregivers must also produce proof of identification. Each recreational customer may be dispensed no more than one ounce of marijuana or five grams of marijuana concentrate per transaction as outlined in 935 CMR 500.140(3)(a)(1). Medical patients may be dispensed up to a 60- day supply of marijuana, or the equivalent amount of marijuana in marijuana infused products, that a registered qualifying patient would reasonably be expected to need over a period of 60 calendar days for his or her personal medical use, which is ten ounces, subject to 935 CMR 501.140(3)(a). Allowable forms of marijuana in Massachusetts include smokable dried flower, dried flower for vaporizing, cannabis derivative products (i.e., vape pens, gel caps, tinctures, etc.) and medical cannabis-infused products, including edibles.

Reporting Requirements

The CCC has selected METRC as the State's seed to sale tracking system used to track commercial cannabis activity and movement across the distribution chain. The system allows for other third-party system integration via API.

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Medical Cannabis Regulations

The Commonwealth of Massachusetts has authorized the cultivation, possession and distribution of marijuana for medical purposes by certain licensed Massachusetts marijuana businesses. The Medical Use of Marijuana Program (the MUMP) registers qualifying patients, personal caregivers, MTCs, and MTC agents. MTCs were formerly known as Registered Marijuana Dispensaries (RMDs). The MUMP was established by Chapter 369 of the Acts of 2012, "An Act for the Humanitarian Medical Use of Marijuana", following the passage of the Massachusetts Medical Marijuana Initiative, Ballot Question 3, in the 2012 general election. Additional statutory requirements governing the MUMP were enacted by the Legislature in 2017 and codified at G.L. c. 94I, et. seq. (referred to herein as the "Massachusetts Medical Act"). MTC Certificates of Registration are vertically integrated licenses in that each MTC Certificate of Registration entitles a license holder to one cultivation facility, one processing facility and one dispensary locations. There is a limit of three MTC licenses per person/entity. The CCC regulations, 935 CMR 501.000 et seq. (referred to herein as the "Massachusetts Medical Regulations"), provide a regulatory framework that requires MTCs to cultivate, process, transport and dispense medical cannabis in a vertically integrated marketplace. Patients with debilitating medical conditions qualify to participate in the program, including conditions such as cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency virus (AIDS), hepatitis C, amyotrophic lateral sclerosis, Crohn's disease, Parkinson's disease, and multiple sclerosis when such diseases are debilitating, and other debilitating conditions as determined in writing by a qualifying patient's healthcare provider. The CCC assumed control of the MUMP from the Department of Public Health on December 23, 2018. The CCC approved revised regulations for the MUMP on November 30, 2020, which are now effective.

Medical Cannabis Licensing Requirements

The Massachusetts Medical Regulations delineate the licensing requirements for MTCs in Massachusetts. Licensed entities must demonstrate the following: (i) they are licensed and in good standing with the Secretary of the Commonwealth of Massachusetts, Department of Revenue and Department of Unemployment Assistance; (ii) no executive, member or any entity owned or controlled by such executive or member directly or indirectly controls more than three MTC licenses; (iii) an MTC may not cultivate medical cannabis from more than two locations statewide; (iv) MTC agents must be registered with the CCC; (v) an MTC must have a program to provide reduced cost or free marijuana to patients with documented verifiable financial hardships; (vi) one executive of an MTC must register with the Massachusetts Department of Criminal Justice Information Services on behalf of the entity as an organization user of the Criminal Offender Record Information system; (vii) the MTC applicant has at least \$500,000 in its control as evidenced by bank statements, lines of credit or equivalent; and (viii) payment of the required application fee.

In an MTC application, an applicant must also demonstrate or include: (i) the name, address date of birth and resumes of each executive of the applicant and of the members of the entity; (ii) a plan to obtain liability insurance coverage in compliance with statutes; (iii) detailed summary of the business plan for the MTC; (iv) an operational plan for the cultivation of marijuana including a detailed summary of policies and procedures; and (v) a detailed summary of the operating policies and procedures for the MTC including security, prevention of diversion, storage of marijuana, transportation of marijuana, inventory procedures, procedures for quality control and testing of product for potential contaminants, procedures for maintaining confidentiality as required by law, personnel policies, dispensing procedures, record keeping procedures, plans for patient education and any plans for patient or personal caregiver home delivery. An MTC applicant must also demonstrate that it has (i) a successful track record of running a business; (ii) a history of providing healthcare services or services providing marijuana for medical purposes in or outside of Massachusetts; (iii) proof of compliance with the laws of the Commonwealth of Massachusetts; (iv) complied with the laws and orders of the Commonwealth of Massachusetts; and (v) a satisfactory criminal and civil background. Finally, an MTC applicant must specify a cultivation tier for their license, which establishes the minimum and maximum square footage of canopy for their cultivation operation.

Upon the determination by the CCC that an MTC applicant has responded to the application requirements in a satisfactory fashion, the MTC applicant is required to pay the applicable registration fee and shall be issued a Provisional MTC license and, following completion of certain regulatory requirements, a Final MTC license.

After receipt of a Provisional MTC license, the CCC shall review architectural plans for the building of the MTC's cultivation facility and/or dispensing facilities, and shall either approve, modify or deny the same. Once approved, the MTC provisional license holder shall construct its facilities in conformance with the requirements of the Massachusetts Regulations. Once the CCC completes its inspections and issues approval for an MTC of its facilities, the CCC shall issue a Final MTC License to the MTC applicant. Final MTC Licenses are valid for one year, and shall be renewed by filing the required renewal application no later than sixty days prior to the expiration of the certificate of registration. A licensee may not begin cultivating marijuana until it has been issued a Final MTC License by the CCC.

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MTC Licenses in Massachusetts are renewed annually. Before expiry, licensees are required to submit a renewal application. While renewals are granted annually, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, we would expect to receive the applicable renewed licenses in the ordinary course of business.

Massachusetts Medical Cannabis Dispensary Operational Requirements

An MTC shall follow its written and approved operation procedures in the operation of its dispensary locations. Operating procedures shall include (i) security measures in compliance with the Massachusetts Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-

hours contact information; (iv) a price list for marijuana; (v) storage and waste disposal protocols in compliance with state law; (vi) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vii) procedures to ensure accurate recordkeeping including inventory protocols; (viii) plans for quality control; (ix) a staffing plan and staffing records; (x) diversion identification and reporting protocols; and (xi) policies and procedures for the handling of cash on MTC premises including storage, collection frequency and transport to financial institutions. The siting of dispensary locations is expressly subject to local/municipal approvals pursuant to state law, and municipalities control the permitting application process that a MTC must comply with. More specifically, an MTC is to comply with all local requirements regarding siting, provided however that if no local requirements exist, an MTC shall not be sited within a radius of 500 feet of a school, daycare center, or any facility in which children commonly congregate. The 500-foot distance under this section is measured in a straight line from the nearest point of the facility in question to the nearest point of the proposed MTC. The Massachusetts Regulations require that MTCs limit their inventory of seeds, plants, and useable marijuana to reflect the projected needs of registered qualifying patients. An MTC may only dispense to a registered qualifying patient or caregiver who has a current valid certification.

Massachusetts Medical Cannabis Security and Storage Requirements

An MTC is to implement sufficient security measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the MTC. These measures must include: (i) allowing only registered qualifying patients, caregivers, dispensary agents, authorized persons, or approved outside contractors access to the MTC facility; (ii) preventing individuals from remaining on the premises of an MTC if they are not engaging in activities that are permitted; (iii) disposing of marijuana or by-products in compliance with law; (iv) establishing limited access areas accessible only to authorized personnel; (v) storing finished marijuana in a secure locked safe or vault; (vi) keeping equipment, safes, vaults or secured areas securely locked; (vii) ensuring that the outside perimeter of the MTC is sufficiently lit to facilitate surveillance; and (viii) ensuring that landscaping or foliage outside of the RMD does not allow a person to conceal themselves. An MTC shall also utilize a security/alarm system that: (i) monitors entry and exit points and windows and doors, (ii) includes a panic/duress alarm, (iii) includes system failure notifications, (iv) includes 24-hour video surveillance of safes, vaults, sales areas, areas where marijuana is cultivated, processed or dispensed, and (v) includes date and time stamping of all records and the ability to produce a clear, color still photo. The video surveillance system shall have the capacity to remain operational during a power outage. The MTC must also maintain a backup alarm system with the capabilities of the primary system, and both systems are to be maintained in good working order and are to be inspected and tested on regular intervals.

Massachusetts Medical Cannabis Transportation Requirements

Marijuana or marijuana-infused products (MIPs) may be transported between licensed MTCs by MTC agents on behalf of an MTC. MTCs or deliver-only retailers may, with CCC approval, transport marijuana or MIPs directly to registered qualifying patients and Caregivers as part of a home delivery program. An MTC shall staff transport vehicles with a minimum of two dispensary agents. At least one agent shall remain with the vehicle when the vehicle contains marijuana or MIPs. Prior to leaving the origination location, an MTC must weigh, inventory, and account for, on video, the marijuana to be transported.

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Marijuana must be packaged in sealed, labeled, and tamper-proof packaging prior to and during transportation. In the case of an emergency stop, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. An MTC shall ensure that delivery times and routes are randomized. Each MTC agent shall carry his or her CCC-issued MUMP ID Card when transporting marijuana or MIPs and shall produce it to CCC representatives or law enforcement officials upon request. Where videotaping is required when weighing, inventorying, and accounting of marijuana before transportation or after receipt, the video must show each product being weighed, the weight, and the manifest. An MTC must document and report any unusual discrepancy in weight or inventory to the CCC and local law enforcement within 24 hours. An MTC shall report to the CCC and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within 24 hours. An MTC shall retain transportation manifests for no less than one year and make them available to the CCC upon request. Any cash received from a qualifying patient or personal caregiver must be transported to an MTC immediately upon completion of the scheduled deliveries. Vehicles used in transportation must be owned, leased or rented by the MTC, be properly registered, and contain a GPS system that is monitored by the MTC during transport of marijuana and said vehicle must be inspected and approved by the CCC prior to use.

During transit, an MTC is to ensure that: (i) marijuana or MIPs are transported in a secure, locked storage compartment that is part of the vehicle transporting the marijuana or MIPs; (ii) the storage compartment cannot be easily removed (for example, bolts, fittings, straps or other types of fasteners may not be easily accessible and not capable of being manipulated with commonly available tools); (iii) marijuana or MIPs are not visible from outside the vehicle; and (iv) product is transported in a vehicle that bears no markings indicating that the vehicle is being used to transport marijuana or MIPs and does not indicate the name of the MTC. Each MTC agent transporting marijuana or MIPs shall have access to a secure form of communication with personnel at the origination location when the vehicle contains marijuana or MIPs.

Massachusetts Adult-Use Cannabis Licensing Requirements

Many of the same application requirements exist for an adult-use marijuana establishment license application as to those for a medical MTC application, and each owner, officer or member must undergo background checks and fingerprinting with the CCC. Applicants must submit the location and identification of each site, and must establish a property interest in the same, and the applicant and the local municipality must have entered into a host agreement authorizing the location of the adult-use marijuana establishment within the municipality, and said agreement must be included in the application. Applicants must include disclosure of any regulatory actions against it by the Commonwealth of Massachusetts, as well as the civil and criminal history of the applicant and its owners, officers, principals or members. The application must include, amongst other information, the proposed timeline for achieving operations, liability insurance, business plan, and a detailed summary describing the marijuana establishment's proposed operating policies including security, prevention of diversion, storage, transportation, inventory procedures, quality control, dispensing procedures, personnel policies, record keeping, maintenance of financial records, diversity plans, and employee training protocols.

Massachusetts Adult-Use Cannabis Dispensary Operational Requirements

Marijuana retailers are subject to certain operational requirements in addition to those imposed on marijuana establishments generally. Dispensaries must immediately inspect patrons' identification to ensure that everyone who enters is at least 21 years of age. Dispensaries may not dispense more than one ounce of marijuana or five grams of marijuana concentrate per transaction. Point-of-sale systems must be approved by the CCC, and retailers must record sales data. Records must be retained and available for auditing by the CCC and Department of Revenue. Retailers are required to conduct monthly analyses of equipment and sales data to determine that such systems have not been altered or interfered with to manipulate sales data, and to report any such discrepancies to the CCC.

Dispensaries must also make consumer education materials available to patrons in languages designated by the CCC, with analogous materials for visually- and hearing-impaired persons. Such materials must include:

1. A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;

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2. A warning that when under the influence of marijuana, driving is prohibited and machinery should not be operated;

3. Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
4. Materials offered to consumers to enable them to track the strains used and their associated effects;
5. Information describing proper dosage and titration for different routes of administration, with an emphasis on using the smallest amount possible to achieve the desired effect;
6. A discussion of tolerance, dependence, and withdrawal;
7. Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
8. A statement that consumers may not sell marijuana to any other individual;
9. Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
10. Any other information required by the CCC.

Massachusetts Adult-Use Cannabis Security and Storage Requirements

Each marijuana establishment must implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the establishment. Security measures taken by the establishments to protect the premises, employees, consumers and general public shall include, but not be limited to, the following:

1. Positively identifying and limiting access to individuals 21 years of age or older who are seeking access to the marijuana establishment or to whom marijuana products are being transported;
2. Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication are allowed to remain on the premises;
3. Proper disposal of marijuana in accordance with applicable regulations;
4. Securing all entrances to the marijuana establishment to prevent unauthorized access;
5. Establishing limited access areas which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
6. Storing all finished marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft or loss;
7. Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage, including prior to disposal, of marijuana or marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana;
8. Keeping all locks and security equipment in good working order;
9. Prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
10. Prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
11. Ensuring that the outside perimeter of the marijuana establishment is sufficiently lit to facilitate surveillance, where applicable;
12. Ensuring that all marijuana products are kept out of plain sight and are not visible from a public place, outside of the marijuana establishment, without the use of binoculars, optical aids or aircraft;
13. Developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of marijuana, and conduct an assessment to determine whether additional safeguards are necessary;
14. Establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
15. Sharing the marijuana establishment's floor plan or layout of the facility with law enforcement authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the marijuana establishment;

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16. Sharing the marijuana establishment's security plan and procedures with law enforcement authorities, including police and fire services departments, in the municipality where the marijuana establishment is located and periodically updating law enforcement authorities, police and fire services departments, if the plans or procedures are modified in a material way; and
17. Marijuana must be stored in special limited access areas, and alarm systems must meet certain technical requirements, including the ability to record footage to be retained for at least 90 days.

Massachusetts Adult-Use Cannabis Transportation Requirements

Marijuana products may only be transported between licensed marijuana establishments by registered marijuana establishment agents. A licensed marijuana transporter may contract with a marijuana establishment to transport that licensee's marijuana products to other licensed establishments. All transported marijuana products are linked to the seed-to-sale tracking program. Any marijuana product that is undeliverable or is refused by the destination marijuana establishment shall be transported back to the originating establishment. All vehicles transporting marijuana products shall be staffed with a minimum of two marijuana establishment agents. At least one agent shall remain with the vehicle at all times that the vehicle contains marijuana or marijuana products. Prior to the products leaving a marijuana establishment, the originating marijuana establishment must weigh, inventory, and account for, on video, all marijuana products to be transported. Within eight hours after arrival at the receiving marijuana establishment, the receiving establishment must re-weigh, re-inventory, and account for, on video, all marijuana products transported. Marijuana products must be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation. In the case of an emergency stop during the transportation of marijuana products, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. A marijuana establishment or a marijuana transporter transporting marijuana products is required to ensure that all transportation times and routes are randomized and remain within Massachusetts.

Vehicles must additionally be equipped with a video system that includes one or more cameras in the storage area of the vehicle and one or more cameras in the driver area of the vehicle. The video cameras must remain operational at all times during the transportation process and have the ability to produce a clear color still photo whether live or recorded, with a date and time stamp embedded and that do not significantly obscure the picture.

Vehicles used for transport must be owned or leased by the marijuana establishment or transporter, and they must be properly registered, inspected, and insured in Massachusetts. Marijuana may not be visible from outside the vehicle, and it must be transported in a secure, locked storage compartment. Each vehicle must have a global positioning system, and any agent transporting marijuana must have access to a secure form of communication with the originating location.

CCC Inspections

The CCC or its agents may inspect an MTC, marijuana establishment and their affiliated vehicles at any time without prior notice. An MTC or marijuana establishment shall immediately upon request make available to the CCC information that may be relevant to a CCC inspection, and the CCC may direct an MTC or marijuana establishment to test marijuana for contaminants. Any violations found will be noted in a deficiency statement that will be provided to the MTC or marijuana establishment, and the MTC or marijuana establishment shall thereafter submit a Plan of Correction to the CCC outlining with particularity each deficiency and the timetable and steps to remediate the same. The CCC shall have the authority to suspend or revoke a certificate of registration in accordance with the applicable regulations.

Medical marijuana use was legalized in Nevada by a ballot initiative in 2000. In November 2016, voters in Nevada passed an adult-use marijuana measure to allow for the sale of adult-use marijuana in the state. The first dispensaries to sell adult-use marijuana began sales in July 2017. The Nevada Cannabis Compliance Board (NV CCB) is the regulatory agency overseeing the medical and adult-use cannabis programs. Similar to California, cities and counties in Nevada are allowed to determine the number of local marijuana licenses they will issue.

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To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the State of Nevada. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, *“Risk Factors – Risks Related to the Regulatory Environment”*.

Nevada Licenses

FBS NV holds medical and adult-use cannabis cultivation, processing and distribution licenses issued by the NV CCB and a hemp handler license issued by the Nevada Department of Agriculture (NV DOA). Under applicable laws, licenses issued by the NV CCB or the NV DOA permit the applicable entities to cultivate, manufacture/process, package, sell or purchase pursuant to the terms of the license, which is issued by the NV CCB under the provisions of Nevada Revised Statutes section 453A.

In March 2022, we acquired 100% of the equity interest of an entity operating an adult-use and medical retail dispensary under the name The Apothecarium, which is used under license with an affiliate of TerrAscend Corp. in Las Vegas, Nevada. Additionally, in April 2022, we acquired NuLeaf, a Nevada-based vertically integrated operator. NuLeaf operates three adult-use and medical retail dispensaries in Las Vegas, Nevada, and Lake Tahoe, Nevada, in addition to a 27,000 sq. ft. cultivation facility in Sparks, Nevada, as well as a 13,000 sq. ft. processing facility in Reno, Nevada.

All marijuana establishments must register with the NV CCB. If applications contain all required information and after vetting by officers, establishments are issued a medical marijuana establishment registration certificate. In a local governmental jurisdiction that issues business licenses, the issuance by the NV CCB of a medical marijuana establishment registration certificate is considered provisional until the local government has issued a business license for operation and the establishment is in compliance with all applicable local governmental ordinances. Final registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email from the NV CCB and include a renewal form. The renewal periods serve as an update for the NV CCB on the licensee’s status toward active licensure. It is important to note that provisional licenses do not permit the operation of any commercial or medical cannabis activity. Only after a provisional licensee has gone through necessary state and local inspections, if applicable, and has received a final registration certificate from the NV CCB may an entity engage in cannabis business operation.

Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations and could have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

In the State of Nevada, only cannabis that is grown in the State can be sold in the State.

Retail dispensary licenses and registration certificates permit a license holder to purchase marijuana from cultivation facilities, marijuana and marijuana products from product manufacturing facilities and marijuana from other retail stores and allows the sale of marijuana and marijuana products to consumers.

Medical cultivation licenses permit a license holder to acquire, possess, cultivate, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries, facilities for the production of edible medical marijuana products and/or medical marijuana-infused products, or other medical marijuana cultivation facilities. One must have a final medical registration certificate in order to apply for adult-use status. Once so licensed, adult-use cultivators are authorized to perform the previously described for the adult-use market.

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Medical product manufacturing licenses permit a license holder to acquire, possess, manufacture, deliver, transfer, transport, supply, or sell edible marijuana products or marijuana infused products to other medical marijuana production facilities or medical marijuana dispensaries. One must have a final medical registration certificate in order to apply for adult-use status. Once so licensed, adult-use cultivators are authorized to perform the previously described for the adult-use market.

Hemp handler licenses permit a license holder to handle raw industrial hemp, purchase hemp-derived constituents (such as hemp-derived CBD) from licensed hemp operators, and to infuse or manufacture products containing hemp-derived constituents.

Reporting Requirements

The State of Nevada uses METRC as its computerized T&T system used to track commercial cannabis on a seed-to-sale basis. Individual licensees whether, directly or through third-party integration systems, are required to push data to the state to meet all reporting requirements. Our chosen seed-to-sale system will capture the required data points for cultivation, manufacturing and retail as required under state law.

Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against diversion, theft, and loss of cannabis and cannabis products, FBS NV is required to do the following:

1. Maintain an enclosed, locked facility;
2. Have a single secure entrance;
3. Train employees in security measures and controls, emergency response protocol, confidentiality requirements, safe handling of equipment, procedures for handling products, as well as the differences in strains, methods of consumption, methods of cultivation, methods of fertilization and methods for health monitoring;
4. Implement and install, at a minimum, the following security equipment and practices to deter and prevent unauthorized entrances:
 - a. devices that detect unauthorized intrusion (which may include a signal system);
 - b. exterior lighting designed to facilitate surveillance;
 - c. electronic monitoring devices, further including (without limitation):

- a. at least one call-up monitor that is at least 19 inches in size;
- b. a video printer that can immediately produce a clear still photo from any video camera image;
- c. video cameras with a recording resolution of at least 704 x 480 that full capture all of the building's points of ingress and egress as well as all interior limited access areas such that such cameras capture and can identify any activity occurring in or adjacent to the building;
- d. a video camera at each point-of-sale location which allows for the identification of any person who holds a valid registry identification card, including, without limitation, a designated primary caregiver, purchasing medical marijuana;
- e. a video camera in each grow room that can identify any activity occurring within the grow room in low light conditions;
- f. a method for storing video recordings from the video cameras for at least 30 calendar days;
- g. a failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;
- h. sufficient battery backup for video cameras and recording equipment to support at least five (5) minutes of recording in the event of a power outage; and
- i. a security alarm to alert local law enforcement of unauthorized breach of security; and
- 1. Implement security procedures that:
 - a. restrict access of the establishment to only those persons/employees authorized to be there;
 - b. deter and prevent theft;
 - c. provide identification (badge) for those persons/employees authorized to be in the establishment;
 - d. prevent loitering;

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- e. require and explain electronic monitoring; and
- f. require and explain the use of automatic or electronic notifications to alert local law enforcement of any security breaches.

There are no incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the State of Nevada. Notwithstanding the foregoing, as discussed in more detail under the subsection entitled “*Compliance*” below, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Nevada, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Nevada. We are not aware of any incidence of non-compliance, citations or notices of violation received by FBS NV or the failure of FBS NV to comply with applicable licensing requirements and the regulatory framework enacted by the State of Nevada.

Ohio

Ohio Regulatory Landscape

House Bill 523, effective on September 8, 2016, legalized medical marijuana in Ohio. The Ohio Medical Marijuana Control Program (MMCP) allows people with certain medical conditions, upon the recommendation of an Ohio-licensed physician certified by the State Medical Board, to purchase and use medical marijuana. House Bill 523 required that the framework for the MMCP would be in place no later than September 2018. This timeframe allowed for a deliberate process to ensure the safety of the public and to promote access to a safe product. Sales of medical marijuana in Ohio began in January 2019.

The following three state government agencies are responsible for the operation of the MMCP: (i) the Ohio Department of Commerce is responsible for overseeing medical marijuana cultivators, processors and testing laboratories; (ii) the State of Ohio Board of Pharmacy is responsible for overseeing medical marijuana retail dispensaries, the registration of medical marijuana patients and caregivers, the approval of new forms of medical marijuana and coordinating the Medical Marijuana Advisory Committee; and (iii) the State Medical Board of Ohio is responsible for certifying physicians to recommend medical marijuana and may add to the list of qualifying conditions for which medical marijuana can be recommended. Qualifying medical conditions for medical marijuana include: HIV/AIDS, Lou Gehrig’s disease, Alzheimer’s disease, cancer, chronic traumatic encephalopathy, Crohn’s disease, epilepsy or other seizure disorder, fibromyalgia, glaucoma, hepatitis C, inflammatory bowel disease, multiple sclerosis (MS), pain (either chronic, severe, or intractable), Parkinson’s disease, post-traumatic stress disorder, sickle cell anemia, spinal cord disease or injury, Tourette’s syndrome, traumatic brain injury, ulcerative colitis. In order for a patient to be eligible to obtain medical marijuana, a physician must make the diagnosis of one of these conditions. The State of Ohio Board of Pharmacy has published regulations for dispensaries, for the forms and methods for administering medical marijuana, and for patients and caregivers.

Several forms of medical marijuana are legal in Ohio, these include: inhalation of marijuana through a vaporizer (not direct smoking), oils, Tinctures, plant material, edibles, patches and any other forms approved by the State Board of Pharmacy.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the State of Ohio. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, “*Risk Factors – Risks Related to the Regulatory Environment*”.

Ohio Licenses

In June 2019, we, through a subsidiary, entered into a management services agreement with FBS OH, a licensed medical marijuana processor in Ohio. In July 2021, the licensed medical marijuana processor received authorization to commence operation at the processing facility. We and the licensed medical marijuana processor have applied for a change of ownership to state regulators for the licensed medical marijuana processor to become a subsidiary us. In August 2021, we closed on the acquisition of FBS OH.

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In July 2021, we acquired OhiGrow, a licensed marijuana cultivator, inclusive of an approximately 10,000 sq. ft. cultivation facility and 1.35 acres of land.

License and Regulations

To be considered for approval of a processing license, the applicant must complete all mandated requirements. To obtain a Certificate of Operation for a processing facility, the prospective licensee must be capable of operating in accordance with Chapter 3796 of the Revised Code, the Medical Marijuana Control Program. Certificates of Operation carry one-year terms. Following issuance of a Certificate of Operation, the provisionally licensed processor will be authorized to manufacture and produce medical cannabis products.

Reporting

Ohio uses the METRC system as its seed-to-sale tracking system. Licensees are required to use METRC to push data to the State to meet all of the reporting requirements. When the provisionally licensed processor is operational, it intends to implement its tracking system to comply with the State’s tracking and reporting requirements.

Storage and Security

All licensees must have a security system that remains operational at all times and that uses commercial grade equipment to prevent and detect diversion, theft or loss of medical cannabis, including:

- A perimeter alarm;
- Motion detectors; and
- Duress and panic alarms.

Video cameras must be installed at the processing facility and directed at all approved safes, approved vaults, cannabis sales areas, and any other area where plant material, medical cannabis extract, or medical cannabis products are being processed, stored or handled. Video surveillance must take place 24 hours a day, 7 days a week. Recordings from all video cameras must be readily available for immediate review by regulating and law enforcement with jurisdiction upon request and must be retained for at least 45 days.

There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our business activities or operations in the State of Ohio. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Ohio, and such non-compliance may have an impact on our business activities or operations in the state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Ohio. We are not aware of any incidence of non-compliance, citations or notices of violation received by the provisionally licensed medical marijuana processor that will be operated by us pursuant to the applicable management services agreement or the failure of the provisionally licensed medical marijuana processor to comply with applicable licensing requirements and the regulatory framework enacted by the State of Ohio.

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Pennsylvania

Pennsylvania Regulatory Landscape

The Pennsylvania Medical Marijuana Act (the PAMMA) was signed into law on April 17, 2016 and originally provided access to Pennsylvania residents with one of 17 qualifying conditions, including epilepsy, chronic pain, and post-traumatic stress disorder. Retail sales began in February 2018. The Commonwealth of Pennsylvania, which consists of nearly 13 million residents and qualifies as the fifth largest population in the U.S., operates as a high-barrier market with very limited market participation. The PAMMA authorizes only a maximum of 25 grower/processing permits and 50 dispensary permits. As part of “Phase 1” of the Commonwealth’s permitting process in 2017, the Pennsylvania Department of Health (the PA DOH) which administers the Commonwealth’s Medical Marijuana Program, originally awarded only 12 grower/processing permits and 27 dispensary permits. Subsequently, in 2018, PA DOH conducted “Phase 2” of the permitting process, during which it awarded the remaining 13 grower/processing permits and 23 dispensary permits authorized under the PAMMA. In July of 2019, the PA DOH expanded the list of qualifying medical conditions to include anxiety disorders and Tourette syndrome, increasing the number of qualifying conditions to 23.

We (through our Pennsylvania subsidiaries) are in compliance with applicable licensing requirements and the regulatory framework enacted by the Commonwealth of Pennsylvania.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the Commonwealth of Pennsylvania. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, “*Risk Factors – Risks Related to the Regulatory Environment*”.

Pennsylvania Licenses

We, through certain subsidiaries, hold six dispensary permits, allowing for up to 18 medical marijuana retail dispensary locations in applicable regions within the Commonwealth of Pennsylvania. As of the date of this Prospectus, we operate eighteen medical cannabis dispensaries in the Commonwealth of Pennsylvania, located in or around the cities of Ardmore, Bethlehem, Bristol, Colwyn, Easton, Hazleton, Irwin, Johnstown, Philadelphia (three locations), Reading, Pittsburgh, Pottsville, Scranton (two locations), Stroudsburg, and West Chester. All the dispensaries operate under our BEYOND/HELLO™ brand.

All dispensaries must register with the PA DOH. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email and include a renewal form. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, we would expect our Pennsylvania subsidiaries to receive the applicable renewed license in the ordinary course of business. However, any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations and could have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

Each retail dispensary license permits the holder to purchase marijuana and marijuana products from grower/processing facilities and allows the sale of marijuana and marijuana products to registered patients.

Site-Visits & Inspections

All licensed dispensary locations must be inspected and approved by the PA DOH before commencing live operations. Thereafter, dispensaries are subject to PA DOH inspection, whether with or without notice.

Reporting Requirements

The Commonwealth of Pennsylvania uses MJ Freeway as a T&T system for seed-to-sale reporting. Individual permittees are required to use MJ Freeway to push data to the Commonwealth to meet all reporting requirements. Our subsidiaries use MJ Freeway as our in-house computerized seed-to-sale software, which integrates with the Commonwealth’s MJ Freeway program and captures the required data points for cultivation, manufacturing and retail as required in the Pennsylvania medical marijuana laws and regulations.

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Storage and Security

All dispensaries are required to have a locked limited access area for the storage of medical marijuana that is expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers or packages have been opened or breached until such product is returned to the grower/processor. Our subsidiary dispensaries maintain security systems with professional monitoring, 24-hours a day and seven days a week, and fixed cameras on the interior and exterior of the facilities in a manner consistent with Pennsylvania law. Data for surveillance systems is stored for a period of 4 years in a readily available format for investigative purposes.

We are in compliance with the laws of the State of Pennsylvania and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the Commonwealth of Pennsylvania. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the Commonwealth of Pennsylvania, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the Commonwealth of Pennsylvania. See “Regulatory Framework – Compliance”.

Virginia

Virginia Regulatory Landscape

Virginia legalized medical marijuana for the treatment of glaucoma and cancer as part of sweeping changes to the Commonwealth’s drug laws in 1979. In 2015, the Commonwealth passed legislation that provided an affirmative defense for the possession of CBD or THC-A oil pursuant to a valid written certification for patient use of the oils from a physician to alleviate intractable epilepsy but made no provision for a patient to acquire these substances.

In 2017, Virginia commenced a program that allows registered patients to access and use cannabis oil. The enabling legislation also authorized the Commonwealth to issue five (5) pharmaceutical processor licenses that allow the holder thereof to cultivate, manufacture and dispense medical cannabis from a single location. Pharmaceutical processor licenses are issued by the Virginia Board of Pharmacy (the VA BOP) on a regional (restricted) based such that only one licensee is permitted to operate in each of five (5) defined Health Service Areas across the Commonwealth. In 2018, the Commonwealth expanded the program to allow eligible practitioners to recommend medical cannabis to patients suffering from any diseases or conditions. Additionally, the law required information about dispensed oils to be reported in the Prescription Monitoring Program (the PMP) and mandated that practitioners check the PMP prior to issuing patient certifications. In March 2020, the Commonwealth further expanded the medical marijuana program by authorizing licensees to add 5 off-site dispensing locations within their Health Service Area, replacing definitions of CBD oil and THC-A oil with a single definition of “cannabis oil,” and removing certain restrictions applicable to oil potency. The March 2020 legislation became effective on July 1, 2020, and a subset of the regulations implementing the March 2020 legislation became effective on September 30, 2020 with the remaining provisions taking effect on February 8, 2021.

We, through Dalitso, are in compliance with applicable licensing requirements and the regulatory framework enacted by the Commonwealth of Virginia.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the Commonwealth of Virginia. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, “*Risk Factors – Risks Related to the Regulatory Environment*”.

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Virginia Licenses

Dalitso currently holds a conditional approval from the VA BOP to cultivate, manufacture, and dispense medical cannabis in Health Service Area II, which covers Loudoun, Fairfax, Arlington and Prince William Counties. As of the date of this Prospectus, we operate two medical cannabis dispensaries and engage in cultivation and manufacturing operations in the Commonwealth of Virginia at our facility located in Prince William County. The dispensaries operate under our BEYOND/HELLO™ brand. We are permitted to open four additional dispensaries in Health Service Area II of the Commonwealth of Virginia.

License and Regulations

Pharmaceutical processors are required to designate a “Pharmacist in Charge” to manage its operation, and to have a supervising pharmacist on duty during all hours of operation. Numerous tasks that involve handling cannabis oil must be performed by a pharmacist or a pharmacy technician acting under a pharmacist’s supervision. Those tasks include, for example, labeling oils, removing oils from inventory, measuring oils for dispensing, and selling oils. Pharmacists and pharmacy technicians must have current licenses, and the ratio of pharmacists to pharmacy technicians cannot exceed 6-to-1 (prior to recent legislative changes, the ratio was 4-to-1). The VA BOP has also imposed certain educational requirements cultivation and manufacturing processes, as well as significant employee training, both upon hire and on a regular, continuous basis thereafter.

A pharmaceutical processor must operate for a minimum of 35 hours per week. Access to the facility is limited to employees performing their job duties (who must display ID badges) and patients (and their parents or guardians). Pharmacists are required to counsel registered patients (and parents/legal guardians as applicable) about medical cannabis products, including (but not limited to) proper use and storage.

As a general matter, the VA BOP prohibits use of pesticides in cultivation (with some exception) and mandates that extraction methods meet industry standards. All medical cannabis products must be branded, tested, and registered with the VA BOP before they can be dispensed. Medical cannabis products must be packaged in child-resistant containers (with limited exceptions), properly labeled, and tested (at the batch level) by qualified independent laboratories. In the course of dispensing operations, a pharmacist or pharmacy technician must check patient identification and certification before dispensing any medical cannabis product(s) and detailed records about all dispensing transactions (along with other records) must be maintained for a period of not less than three years, and the licensee must implement a stringent quality assurance program designed to prevent dispensing errors. Expired, damaged or otherwise waste cannabis plant material and products must be stored in a secure manner until properly destroyed.

Storage and Security

Pharmaceutical processors are subject to a number of inventory and security requirements under Virginia law and VA BOP regulations. For example, they must: conduct an initial comprehensive inventory; establish ongoing inventory controls and procedures; conduct weekly inventory reviews; and prepare an annual inventory report (inventory records must be made available to the VA BOP and its agents for inspection and copying). All parts of the cannabis plant and medical cannabis products (whether finished or in process) must be stored in a locked and secured vault or safe with appropriate access limitations and the pharmaceutical processor must maintain a sophisticated security system that satisfies VA BOP-mandated criteria. Cannabis and cannabis products must be stored in a generally clean, sanitary, and secure area, and storage areas and related procedures are subject to a number of VA BOP requirements. Pharmaceutical processors must install and maintain a video surveillance system that captures all areas where cannabis and cannabis products (whether finished or in process) are handled or stored. Surveillance recordings must be stored for 30 days and made available for the VA BOP’s immediate review upon request. All security breaches or other events must be promptly reported to the VA BOP.

Site-Visits & Inspections

At all times, pharmaceutical processing facilities are subject to inspection by the VA BOP and certain other authorized agencies, and pharmacists and pharmacy technicians on-site must be prepared to present their current license or registration to the VA BOP or its agencies during inspections.

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Reporting Requirements

Pharmaceutical processors are required to maintain an electronic tracking system comprised of an electronic radio-frequency identification seed-to-sale system capable of tracking cannabis from either the seed or immature plant stage until the cannabis oils are sold to a registered patient, parent, or legal guardian or until the cannabis, including the seeds, parts of plants, and extracts, are destroyed. The electronic tracking system shall include, at a minimum, a central inventory management system and standard and ad hoc reporting functions as required by the VA BOP (and must otherwise satisfy recordkeeping laws, rules and regulations).

We are in compliance with the laws of the Commonwealth of Virginia and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the Commonwealth of Virginia. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the Commonwealth of Virginia, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the Commonwealth of Virginia. See *"Regulatory Framework – Compliance"*.

Compliance

With the oversight and under the direction of the VP of Compliance, our legal department oversees, maintains, and implements a compliance program in conjunction with our operations in each jurisdiction. In addition to our legal and compliance departments, we have local regulatory/compliance counsel engaged in every jurisdiction (state and local) in which it operates. Together with on-site management in each jurisdiction, our legal and compliance departments are responsible for ensuring operations and employees strictly comply with applicable laws, regulations, and licensing conditions and ensure that operations do not endanger the health, safety or welfare of the community. We designate a duly qualified and experienced manager at each location who is responsible to coordinate with operational units within each facility (to extent applicable) to ensure that the operation and all employees are following and complying with our written security procedures and all regulatory compliance standards.

In conjunction with our human resources and operations departments, the compliance and quality departments help oversee and implement training for all employees, including on the following topics:

- compliance with state and local laws;
- cultivation/manufacturing/dispensing/transport procedures (as applicable);
- security and safety policies and procedures;
- inventory control, T&T, seed-to-sale, and point of sale systems training (as applicable); and
- quality control.

Our compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis (including living plants and harvested plant material) and cannabis product inventory. Only authorized, properly trained employees are allowed to access our inventory management systems.

Our compliance department and legal team, comprised of in-house and local outside counsel, monitors all compliance notifications from the regulators and inspectors in each market, timely resolving any issues identified. The team maintains records of all compliance notifications received from the state regulators or inspectors and how and when the issue was resolved. We have created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. We maintain accurate records of our inventory at all licensed facilities. Adherence to our standard operating procedures is mandatory and ensures that our operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. Training on these standard operating procedures is mandatory by all employees and defined by function and role.

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We have developed and continue to refine a robust compliance program designed to ensure operational and regulatory requirements continue to be satisfied and has worked closely with experts and outside counsel to develop compliance procedures intended to assist us in monitoring compliance with U.S. state law on an ongoing basis. We will continue to work closely with outside counsel and other compliance experts to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the complex regulatory frameworks of the states where we operate. The internal compliance program currently in place includes continued monitoring by managers and executives of us and our subsidiaries to ensure that all operations conform to and comply with required laws, rules, regulations and SOPs. We further require our operating subsidiaries to report and disclose all instances of non-compliance, regulatory, administrative, or legal proceedings that may be initiated against them.

Notwithstanding the foregoing, from time to time, as with all businesses and all rules, it is anticipated that we, through our subsidiaries and establishments to which we provide operational support, may experience incidences of non-compliance with applicable rules and regulations, which may include minor matters such as:

- staying open slightly too late due to an excess of customers at stated closing time;
- minor inventory discrepancies with regulatory reporting software;
- missing fields in regulatory reports;
- missing fields entries in a visitor log;
- cleaning schedules not available on display;
- educational materials and/or interpreter services not available in a sufficient number of languages;
- updated staffing plan not immediately available on site;
- improper illumination of external signage;
- marijuana infused product utensils improperly stored;
- partial obstruction of camera views; and/or
- supplemental use of onsite surveillance room (i.e., storage).

In addition, either on an inspection basis or in response to complaints, such as from neighbors, customers or former employees, State or local regulators may, among other things, issue investigatory- or demand-type letters, give warnings to or cite businesses which we operate or for which we provide operational support for violations, including those listed above. Such regulatory actions could lead to a requirement or directive to submit and thereafter comply with (for example) a plan of correction. Depending on the jurisdiction, it is also possible regulators may assess penalties and/or amendments, suspensions or revocations of licenses or otherwise take action that may impact our licenses, business activities, operational support activities or operations.

To minimize opportunities for non-compliance and among other measures, we have implemented regular compliance reviews to ensure our subsidiaries and establishments to

which we provide operational support are operating in conformance with applicable State and local cannabis rules and regulations. In the event non-compliance is discovered, during a compliance review or otherwise, we will promptly remedy the same, including by self-reporting to applicable State and local cannabis regulators as and when required by law and will make all requisite and appropriate public disclosures of non-compliance, citations, notices of violation and the like which may have an impact on its licenses, business activities, operational support activities or operations.

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State License Renewal Requirements

For each of our provisional and operational licenses, the states impose strict license renewal requirements that vary state by state. We generally must complete the renewal application process within a prescribed period of time prior to the expiration date and pay an application fee. The state licensing body can deny or revoke licenses and renewals for a variety of reasons, including but not limited to (a) submission of materially inaccurate, incomplete or fraudulent information, (b) failure of the company or any of its directors or officers to comply, or have a history of non-compliance, with any applicable law or regulation, including laws relating to minimum age of customers, safety and non-diversion of cannabis or cannabis products, taxes, child support, workers compensation and insurance coverage, or otherwise remain in good standing (c) failure to submit or implement a plan of correction for any identified violation, (d) attempting to assign registration to another entity without state approval, (e) insufficient financial resources, (f) committing, permitting, aiding or abetting of any illegal practices in the operation of a facility, (g) failure to cooperate or give information to relevant law enforcement related to any matter arising out of conduct at a licensed facility and (h) lack of responsible operations, as evidenced by negligence, disorderly or unsanitary facilities or permitting a person to use a registration card belonging to another person. Certain jurisdictions also require licensees to attend a public hearing or forum in connection with their license renewal application.

Human Capital Resources

As of March 31, 2022, we had 1,308 employees. We are committed to hiring talented individuals and maximizing individual potential, while fostering growth and career advancement. Our goal is to use the highest standards in attracting the best talent, offering competitive compensation, as well as implementing best practices in evaluating, recruiting and onboarding our human capital.

Our employees are split across the Company as follows:

Corporate:	144
Retail:	788
Manufacturing:	376
Total:	1,308

As of March 31, 2022, approximately 101 employees who work in our Scranton, Pennsylvania grower processor facility and approximately 23 employees who work in Scranton, Stroudsburg and Bethlehem, Pennsylvania dispensaries are covered by a collective bargaining agreement with United Food and Commercial Workers Union, Local 1776KS. We did not experience any union work stoppages in 2021 and we consider our relationship with our employees to be good.

Description of Property

Our corporate headquarters are located in Boca Raton, FL. In addition, we have retail, cultivation or manufacturing locations in the following states: Pennsylvania, Illinois, Virginia, California, Ohio, Nevada, Massachusetts, and New York. Most of our locations are leased from third parties. We believe that our facilities and expansion plans are adequate for our current and anticipated needs. Details relating to the properties in each state are within the Business section above under “*Current Operations*.”

Legal Proceedings

There are no actual or to our knowledge contemplated legal proceedings that we or our subsidiaries are a party to or to any of our subsidiaries’ property is the subject matter.

Available Information

We maintain a website at <http://www.jushico.com>. Upon the date the registration statement of which this prospectus forms a part is declared effective, we will become subject to the informational and periodic reporting requirements of the Exchange Act, and will thereafter file periodic reports and other information with the SEC. When filed, such period reports, such as our Annual Report on Form 10-K (which will include our audited financial statements), Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act, will be available on our website, free of charge, as soon as reasonably practicable after we electronically file such reports with, or furnish those reports to, the SEC. You may also read and copy these reports, proxy statements and other information on the SEC’s website at www.sec.gov. Additional information relating to the Company is also available under the Company’s profile under SEDAR at www.sedar.com.

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MARKET PRICE AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our Subordinate Voting Shares began trading on the Canadian Securities Exchange under the symbol “JUSH” on December 9, 2019 and began trading on the OTC Markets under the symbol “JUSHF” on September 23, 2019. Any over-the-counter market quotations from the OTC Markets reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Holders of Subordinate Voting Shares

As of June 30, 2022, we had approximately 317 shareholders of record of 194,653,132 issued and outstanding Subordinate Voting Shares, and no Multiple Voting Shares or Super Voting Shares issued and outstanding. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

Dividends

We have not declared distributions on Subordinate Voting Shares, Multiple Voting Shares or Super Voting Shares in the past. We currently intend to reinvest all future earnings to finance the development and growth of our business. As a result, we do not intend to pay dividends on Subordinate Voting Shares, Multiple Voting Shares, Super Voting Shares or Preferred Shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the board of directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the board of directors deems relevant.

2019 Equity Incentive Plan

The following table sets forth securities authorized for issuance under our 2019 Equity Incentive Plan, as amended (referred to herein as the 2019 Equity Incentive Plan or the Plan), as of December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrant and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾⁽²⁾	20,429,120	\$ 3.20	7,904,819
Equity compensation plans not approved by security holders	—	—	—
Total	20,429,120	\$ 3.20	7,904,819

(1) The maximum number of Subordinate Voting Shares issuable under the 2019 Equity Incentive Plan of the Company as of December 31, 2021 was 31,060,251, representing 17% of the number of the issued and outstanding Subordinate Voting Shares, which we refer to in this prospectus as the Outstanding Share Number.

(2) Excludes 2,859,151 Subordinate Voting Shares issued related to unvested restricted stock awards.

As of December 31, 2021, the following Awards were under the 2019 Equity Incentive Plan: (i) a total of 20,429,120 Options, representing approximately 11% of the then Outstanding Share Number; and (ii) a total of 2,859,151 unvested RSAs, representing less than 2% of the then Outstanding Share Number. As of December 31, 2021, an aggregate of 7,904,819 Subordinate Voting Shares remained available for issuance under the 2019 Equity Incentive Plan, representing approximately 4% of the then Outstanding Share Number.

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MANAGEMENT

Executive Officers and Directors

Our executive officers and directors, their positions and their ages as of June 30, 2022 are set forth below:

Name	Age	Position(s)
Executive Officers		
James Cacioppo	60	Chairman of the Board of Directors and Chief Executive Officer
Louis J. Barack	45	President and Corporate Secretary
Edward Kremer	50	Chief Financial Officer
Leonardo Garcia-Berg	58	Chief Operations Officer
Directors		
Peter Adderton	55	Director
Benjamin Cross	67	Director
Marina Hahn	64	Director
Stephen Monroe	62	Director

Executive Officers

James Cacioppo has served as our Chief Executive Officer and Chairman since he co-founded us in 2018. Prior to founding Jushi, from 1993 to 2018, Mr. Cacioppo spent over two decades managing the business and allocating capital in senior management positions at several large hedge funds. Since January 2006, Mr. Cacioppo was Co-Founder and Managing Partner of One East Partners (\$2.3 billion (peak assets under management)). Previously, from 2000 to 2006, Mr. Cacioppo served as President and Co-Portfolio Manager of Sandell Asset Management (\$5.0 billion (peak assets under management)) and from 1995 to 2000, he served as Head of Distressed Debt for Halcyon Management, a global investment firm with over \$9 billion in assets. Mr. Cacioppo earned his BA from Colgate University and his MBA from Harvard University. We believe Mr. Cacioppo is qualified to serve on our board of directors due to his managerial, start-up, financial and investing experience.

Louis J. Barack co-founded us in 2018 and has served as our Corporate Secretary since such time and as our President since December of 2019. Mr. Barack brings extensive financial and cannabis industry investing experience (both public and private) to his role as President and Corporate Secretary. Mr. Barack spent over ten years in investments at various hedge funds, including working from 2013 to 2018 at One East Capital Advisors where he focused on cannabis investments. Mr. Barack earned his BA from Princeton University and his JD/MBA from Northwestern University.

Edward Kremer has served as our Chief Financial Officer since 2021. Mr. Kremer most recently served as Chief Operating and Restructuring Officer of Le Tote and Lord & Taylor, from November 2019 to October 2021, overseeing the organization's M&A and restructuring efforts. Prior to that, he held a number of executive leadership and finance roles with both public and private equity-backed leading consumer products companies, most notably at Noon Home from December 2018 to December 2019, 360fly from January 2016 to June 2018, and also at Oakley, Oliver Peoples, and Beats Electronics (Beats by Dr. Dre). Mr. Kremer earned his Bachelor of Business Administration from the University of Massachusetts at Amherst – Isenberg School of Management.

Leonardo Garcia-Berg has served as our Chief Operations Officer since 2021. Before joining Jushi, Mr. Garcia-Berg served in numerous roles at Anheuser-Busch InBev (AB InBev) starting from January 2010 to October 2020. As the Global Director of Value Creation, Global Procurement Officer for AB InBev, Mr. Garcia-Berg led strategies focused on improving manufacturing, logistics, sourcing and operations across the company's breweries worldwide. In addition to his positions at AB InBev, he also served as an international consultant for McKinsey & Company, focusing on operational strategies, procurement, organizational transformations, along with supply chain and end-to-end process optimization solutions. Mr. Garcia-Berg received his Bachelor of Science degree in electrical engineering from Instituto Tecnológico de Buenos Aires in Argentina, and earned his MBA from The Wharton School of the University of Pennsylvania.

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Directors

Peter Adderton has served as a member of our board of directors since June 2019. Starting from 2000, Mr. Adderton is a Director and Founder of Boost Mobile, a wireless telecommunications brand based in Australia. Under his leadership, Boost Mobile USA was purchased by Nextel/Sprint and remains a wholly owned subsidiary of Sprint Nextel. Prior to founding Boost Mobile, Peter founded Amp'd Mobile, a wireless company and Mandalay Digital, now Digital Turbine, a mobile solutions provider. At Mandalay Digital, Peter was the Company's CEO and Director leading it to become a Nasdaq listed company. Peter graduated from Sydney Technical College. We believe Mr. Adderton is qualified to serve on our board of directors due to his operational and marketing expertise.

Benjamin Cross has served as a member of our board of directors since June 2019. Mr. Cross spent 20 years at Morgan Stanley in both their London and New York offices in the Commodities Division until his retirement in 2015 as a Managing Director at the firm. Prior to joining Morgan Stanley, Mr. Cross worked at Merrill Lynch and the commodities exchange. Mr. Cross earned his BS from Cornell University. Presently, Mr. Cross is a Board Advisor to Ursa Space, a geospatial intelligence firm with an emphasis in measuring global oil inventories and is a commodities reporter for TheStreet.com, which he has been a reporter since July 2015. We believe Mr. Cross is qualified to serve on our board of directors due to his extensive financial markets experience and commodities knowledge.

Marina Hahn has served as a member of our board of directors since May 2021. Since February 2020, Ms. Hahn serves as a consultant at Rotkaeppchen-Mumm, a German market leader in sparkling wines and spirits. Prior to serving as a consultant at Rotkaeppchen-Mumm, Ms. Hahn co-founded ZX Ventures, a growth arm of AB InBEV from April 2018 to January 2020. Prior to ZX Ventures, Ms. Hahn served as President of the Consumer Division at Flex Pharma, from August 2014 to November 2016, an innovative biotech formed as a result of a scientific breakthrough for athletes who suffer from muscle cramps. Ms. Hahn was a founder of SVEDKA Vodka (acquired by Constellation Brands, Inc.), an irreverent lifestyle brand where she originated the iconic spokesbot, SVEDKA_grl. Ms. Hahn is a graduate of Wellesley College. We believe Ms. Hahn is qualified to serve on our board of directors due to her consumer brand experience and prior board experience.

Stephen Monroe has served as a member of our board of directors since June 2019. Since 2016, Mr. Monroe has served as President and Managing Partner of Liquid Capital Alternative Funding, an asset-based lender. Prior to joining Liquid Capital Alternative Funding, Mr. Monroe served as National Sales Manager for Short Duration Products at JP Morgan Chase & Co.; and previously in a variety of senior management positions covering cash and short duration products at Barclays and the Royal Bank of Scotland. Mr. Monroe earned his BA from Williams College. We believe Mr. Monroe is qualified to serve on our board of directors due to his vast experience in financial markets and risk management.

Board Composition

Our Articles of Incorporation, as amended to date, which we refer to as our Articles, provide that so long as we are a public company, the minimum number of directors is three (3) and the number of directors is set by ordinary resolution. Each director holds office until the close of the next annual general meeting of shareholders, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The board of directors currently consists of five (5) directors, although the number of directors set by ordinary resolution is currently six (6) and the board of directors may fill this vacancy at its discretion. Our business and affairs are managed by or under the direction of the board of directors. Pursuant to our Mandate of the board of directors, the board of directors may establish one or more committees of the board of directors, however designated, and delegate to any such committee the full power of the board of directors, to the fullest extent permitted by law.

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We are not currently subject to listing requirements of any national securities exchange that has requirements that a majority of the board of directors be "independent." All but one of the five directors are considered to be independent under the CSA Guidelines and in accordance with National Instrument 52-110—*Audit Committees* (NI 52-110). A director is considered independent for the purposes of NI 52-110 if he or she has no direct or indirect "material relationship" with the issuer, where "material relationship" is defined as a relationship that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. Our independent directors are Peter Adderton, Benjamin Cross, Marina Hahn and Steve Monroe. Mr. Cacioppo is not independent, given that he is our Chief Executive Officer.

The board of directors holds regularly scheduled meetings and at such meetings our independent directors meet in executive session. The board of directors has not appointed a lead independent director; instead, the presiding director for each executive session is rotated among the chairs of our committees.

The board of directors held four meetings during the year ended December 31, 2021. In 2021, each person serving as a director attended at least 50% of the total number of meetings of our board of directors and the majority of any committee on which he or she served.

Board Committees

At present, the board of directors has three standing committees, the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee. The charters for our committees set forth the scope of the responsibilities of that committee.

Audit Committee.

The board of directors established an audit committee (the "Audit Committee:"). The Audit Committee is currently comprised of three members: Stephen Monroe (Chair), Peter Adderton and Benjamin Cross. Each of the members of the Audit Committee meets the independence requirements pursuant to NI 52-110 and each is financially literate within the meaning of NI 52-110.

The Audit Committee operates pursuant to a written charter. The principal duties and responsibilities of the Audit Committee are to assist the board of directors to:

- Conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Audit Committee.
- Assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures.
- Review the interim and annual financial statements and management's discussion and analysis of the Company's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the board of directors for approval of same.
- Select and monitor the independence and performance of the Company's external auditors, including attending private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration.
- Provide oversight of all disclosure relating to, and information derived from, financial statements and management's discussion and analysis.

In fulfilling its responsibilities, the Audit Committee meets regularly with our auditor and key management members.

The Audit Committee has access to all of our books, records, facilities and personnel and may request any information as it may deem appropriate. It also has the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee. The Audit Committee is responsible for the pre-approval of all non-audit services to be provided by our auditors.

Compensation Committee

The board of directors has established a compensation committee (the “Compensation Committee”). The Compensation Committee is currently comprised of three members: James Cacioppo (Chair), Benjamin Cross and Stephen Monroe. All of the members of the Compensation Committee other than Mr. Cacioppo are independent for purposes of NI 52-110. Mr. Cacioppo recuses himself on compensation committee-related matters relating to himself.

The Compensation Committee operates pursuant to a written charter. The principal duties and responsibilities of the Compensation Committee are to assist the board of directors to:

- Review and approve annually the corporate goals and objectives applicable to the compensation of the chief executive officer (the CEO);
- Evaluate, at least annually, the CEO’s performance in light of the goals and objectives set for the CEO;
- Determine and make recommendations to the board of directors with respect to the CEO’s compensation level (both cash and equity-based). In determining the long-term incentive component of the CEO’s compensation, the Committee may consider our performance, shareholder returns, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company’s CEO in past years.
- Make recommendations to the board of directors regarding the compensation of non-CEO senior executive officers and the directors.
- Review and make recommendations to the board of directors regarding incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the shareholders of the Company.
- Review and discuss with management our executive compensation disclosure to be included in our management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of Jushi.
- Review and make recommendations to the board of directors regarding any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers.

The Compensation Committee also has the authority to retain and compensate a compensation consultant, special legal, and other consultants or advisors.

Nominating and Corporate Governance Committee

The board of directors has established a nominating and corporate governance committee (the “Nominating and Corporate Governance Committee”). The Nominating and Corporate Governance Committee is currently comprised of three members: Jim Cacioppo (Chair), Benjamin Cross and Steve Monroe. All of the members of the Nominating and Corporate Governance Committee other than Mr. Cacioppo are independent for purposes of NI 52-110.

The Nominating and Corporate Governance Committee operates pursuant to a written charter. The principal duties and responsibilities of the Nominating and Corporate Governance Committee are to assist the board of directors to:

- Identify individuals qualified to become members of the board of directors.
- Recommend director nominees for each annual meeting of the Company’s shareholders and director nominees to fill any vacancies that may occur between meetings of shareholders.
- Be aware of the best practices in corporate governance and develop and recommend to the board of directors a set of corporate governance standards to govern the board of directors, its committees, the Company and its employees in the conduct of the business and affairs of the Company.
- Consider the diversity of the board of directors.
- Develop and oversee the annual board of directors and committees of the board of directors evaluation process.

Board Oversight of Enterprise Risk

One of the key functions of our board of directors is informed oversight of our risk management process. The board of directors does not have a standing risk management committee and instead administers this oversight function directly through the board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee will have the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements.

Board Leadership

The board of directors has no policy regarding the need to separate or combine the offices of Chairman of the board of directors and Chief Executive Officer and instead the board of directors remains free to make this determination from time to time in a manner that seems most appropriate for Jushi. The positions of Chairman of the board of directors and Chief Executive Officer are currently held by James Cacioppo. The board of directors believes the Chief Executive Officer is in the best position to direct the independent directors’ attention on the issues of greatest importance to Jushi and its shareholders. As a result, we do not currently have a lead independent director. Our overall corporate governance policies and practices combined with the strength of our independent directors and our internal controls minimize any potential conflicts that may result from combining the roles of Chairman and Chief Executive Officer.

Corporate Governance Principles and Code of Ethics

The board of directors is committed to sound corporate governance principles and practices. In order to clearly set forth our commitment to conduct our operations in accordance with our high standards of business ethics and applicable laws and regulations, the board of directors also adopted a Code of Business Conduct and Ethics, which we refer to as our Code of Ethics, which is applicable to all directors, officers and employees. A copy of the Code of Ethics is available on our corporate website at <https://ir.jushico.com/>.

2021 Director Compensation

Starting in the fourth quarter of 2021, each non-employee director is paid an annual retainer of \$65,000 per annum in cash or equity (stock options or restricted stock) at the Company’s discretion. Previous to that, the annual retainer was \$50,000. Additionally, each non-employee director historically has been provided an annual grant or restricted stock or stock options each year. Directors are also reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the board of directors, committees of the board of directors or meetings of our shareholders.

The following table sets forth information regarding compensation awarded to, earned by or paid to our non-employee directors in connection with their service for the year ended December 31, 2021. We do not pay any compensation to our Chief Executive Officer, who is also the Chair of the board of directors, in connection with his service on

our board of directors. See “Executive Compensation” for a discussion of the compensation of Mr. Cacioppo.

Name	Fees earned or paid in cash \$(1)	Stock Awards \$(2)	Option awards \$(2)	Total (\$)
Peter Adderton	\$ —	\$ 48,601(3)(4)	\$ 138,360(5)	\$ 186,961
Benjamin Cross	\$ —	\$ 48,601(3)(4)	\$ 138,360(5)	\$ 186,961
Marina Hahn	\$ 33,858	\$ 98,962(3)	\$ 46,120(5)	\$ 178,940
Stephen Monroe	\$ —	\$ —	\$ 185,765(6)	\$ 185,765

- (1) Represents amount earned or paid in cash for service as a director during fiscal year 2021.
- (2) Represents the grant date fair value of restricted stock and/or option awards granted in fiscal year 2021 in accordance with Accounting Standards Codification Topic 718, Compensation—Stock Compensation. Such grant date fair values do not take into account any estimated forfeitures related to service-based vesting. The assumptions used in calculating the grant date fair value of the awards reported in these columns are set forth in note 15 of our consolidated financial statements included elsewhere in this prospectus. As of December 31, 2021, the following number of option shares and shares of restricted stock were outstanding for each of our non-employee directors in the aggregate: Mr. Adderton, 60,000 option shares and 109,080 shares of restricted stock; Mr. Cross, 60,000 option shares and 102,513 shares of restricted stock; Ms. Hahn, 20,000 option shares and 17,301 shares of restricted stock; and Mr. Monroe, 73,952 option shares and 150,484 shares of restricted stock.
- (3) Vested 25% on the grant date and 25% each quarter thereafter.
- (4) Represents restricted stock granted in lieu of payment of the cash retainer.
- (5) Vested fully on July 1, 2022, with an exercise price of \$3.91 per share.
- (6) Represents (i) \$47,405 of options that vested 25% on the grant date and 25% each quarter thereafter, with an exercise price of \$5.71 per share, and such options were granted in lieu of payment of the cash retainer, and (ii) \$138,360 of options that vest fully on July 1, 2022, with an exercise price of \$3.91 per share

Involvement in Certain Legal Proceedings

On April 21, 2021, the Company announced it had applied to the Ontario Securities Commission (the OSC), as principal regulator of the Company, for the imposition of a management cease trade order (the MCTO) under National Policy 12-203 – Management Cease Trade Orders because, due to the Company’s auditor not being able to complete its annual audit procedures in a timely manner, the Company would not be able to file its audited annual financial statements for the year ended December 31, 2020, the related management’s discussion and analysis, related Chief Executive Officer and Chief Financial Officer certificates and annual information form for the year ended December 31, 2020 (the Required Filings) before the required deadline of April 30, 2021. On May 3, 2021, the OSC issued the MCTO. The MCTO restricted the trading of securities of the Corporation by the Chief Executive Officer and Chief Financial Officer of the Corporation until the Required Filings were made. The Required Filings were made on June 9, 2021 and the MCTO was automatically revoked. All of the Company’s current directors and officers, except Leonardo Garcia-Berg, Marina Hahn and Edward Kremer, were in place on the date when the MCTO was issued on May 3, 2021. Mr. Garcia-Berg was hired by the Company on May 24, 2021 while the MCTO was in place but not appointed as an Executive Officer until June 30, 2021 after the MCTO was revoked.

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On February 22, 2022, Jushi Europe SA (Jushi Europe) filed a notice of over-indebtedness with the Swiss courts, and its auditor followed with a notice of over-indebtedness on March 11, 2022. As of the date of this prospectus, both notices are pending with the Swiss courts. Mr. Cacioppo is an officer/director of Jushi Europe. See “*Business-Current Operations-Business in Europe*” for more information.

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EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the “Summary Compensation Table” below. As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to “smaller reporting companies” as such term is defined in the rules promulgated under the Securities Act, which require compensation disclosure for its principal executive officer and its two other most highly compensated executive officers. We have also included supplemental compensation disclosure for our Chief Financial Officer, who joined the Company in October 2021 and who we expect will be a “named executive officer” for 2022. Such executive officers and their positions were:

- James Cacioppo, Chief Executive Officer and Chairman
- Louis Jonathan Barack, President and Corporate Secretary
- Edward Kremer, Chief Financial Officer
- Leonardo Garcia-Berg, Chief Operations Officer

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

Compensation Philosophy

The board of directors has not adopted any formal policies or procedures to determine the compensation of our directors or executive officers. The compensation of the directors and executive officers is determined by the board of directors, based on the recommendations of the Compensation Committee. Recommendations of the Compensation Committee are made giving consideration to the objectives discussed below and, if applicable, considering applicable industry data.

In April 2021 we hired executive compensation consultants to perform market research on the appropriate compensation for our named executive officers (NEOs) and other individuals in the company. Based on the results of the research, compensation packages were proposed to the Compensation Committee, who approved the current compensation. While our Chief Executive Officer is a member and typically attends meetings of our Compensation Committee, the Compensation Committee meets outside of the presence of our Chief Executive Officer when discussing and approving his compensation. In July 2022, the board of directors approved an employment agreement entered into by us and with Mr. Cacioppo. .

The compensation of our NEOs in 2021 was comprised of the following major elements: (a) base salary; (b) an annual, cash bonus; and (c) stock options under the 2019 Equity Incentive Plan. Base salaries, annual bonuses and long-term equity incentive compensation awards were determined on an individual basis, taking into consideration the past, current and potential contribution to our success, the NEO’s experience and expertise, the position and responsibilities of the NEO, and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

The board of directors and our Compensation Committee considered risks associated with executive compensation and does not believe that our executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks. In addition to cash compensation, NEOs are compensated in part through the granting of options and restricted stock awards which is compensation that is both “at risk” and associated with long-term value creation. The value of such compensation is dependent upon shareholder return over the applicable vesting period which reduces the incentive for executives to take inappropriate or excessive risks as their long-term compensation is at risk.

The Compensation Committee endeavors to ensure that the philosophy and operation of our compensation program reinforces its culture and values, creates a balance between risk and reward, attracts, motivates, and retains executive officers over the long-term and aligns their interests with those of the shareholders.

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Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs and Mr. Kremer for the year ended December 31, 2021.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽³⁾	Option awards (\$) ⁽⁴⁾	All other compensation (\$) ⁽⁵⁾	Total (\$)
James Cacioppo <i>Chief Executive Officer</i>	2021	487,132	1,141,333	7,125,000	12,247	8,765,712
Louis J. Barack <i>President and Corporate Secretary</i>	2021	337,498	436,667	2,375,000	13,205	3,162,370
Edward Kremer ⁽¹⁾ <i>Chief Financial Officer</i>	2021	97,128	48,219	1,288,300	33	1,433,681
Leonardo Garcia-Berg ⁽²⁾ <i>Chief Operations Officer</i>	2021	200,088	101,680	2,319,060	7,472	2,628,300

(1) Mr. Kremer was hired by the Company on October 5, 2021 and appointed Chief Financial Officer of the Company on October 18, 2021. Mr. Kremer replaced Kimberly Bambach as Chief Financial Officer. Ms. Bambach served as Chief Financial Officer from November 2018 through October 18, 2021, when she resigned.

(2) Mr. Garcia-Berg was hired by the Company on May 24, 2021 and appointed Chief Operations Officer of the Company on June 30, 2021.

(3) Mr. Cacioppo and Mr. Barack each received an annual discretionary cash bonus for work performed January 1, 2021 through December 31, 2021. Mr. Garcia-Berg and Mr. Kremer each received a prorated annual discretionary cash bonus for work performed from their hire dates through December 31, 2021.

(4) The reported amounts reflect the grant date fair value of stock option awards calculated in accordance with FASB ASC Topic 718. For additional information, see note 15 in “Notes to the Consolidated Financial Statements.” Such grant date fair values do not take into account any estimated forfeitures. The assumptions used in calculating the grant date fair value of the stock options reported in this table are set forth in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Share-Based Compensation Arrangements.”

(5) Represents our matching contributions to our 401(k) plan and health and disability benefits.

Outstanding Equity Awards at 2021 Fiscal Year End

The following table provides information regarding outstanding stock options and/or restricted stock awards held by our NEOs and Mr. Kremer as of December 31, 2021:

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of share or units of stock that have not vested (#)	Market Value of share or units of stock that have not vested (\$)
Jim Cacioppo	4/17/2019	2,385,000	— ¹	2.00	4/17/2029	—	—
	9/22/2020	—	—	—	—	466,392 ²	\$ 1,026,062
	10/27/2021	973,333	1,946,667 ³	3.91	10/27/2031	—	—
	10/27/2021	26,667	53,333 ⁴	3.91	10/27/2031	—	—
Louis J. Barack	4/17/2019	528,667	264,333 ⁵	2.00	—	—	—
	9/22/2020	—	—	—	—	164,609 ⁶	\$ 362,140
	10/27/2021	—	80,000 ⁷	3.91	10/27/2031	—	—
	10/27/2021	—	920,000 ⁸	3.91	10/27/2031	—	—
Edward Kremer	10/05/2021	—	500,000 ⁹	3.88	10/05/2031	—	—
Leonardo Garcia-Berg	6/08/2021	—	500,000 ¹⁰	6.10	6/08/2031	—	—
	11/03/2021	—	100,000 ¹¹	3.70	11/03/2031	—	—

(1) Granted 2,385,000 options which vest ratably over three years beginning on the first anniversary of the date of grant.

(2) Granted 1,399,177 shares of restricted stock which vest ratably over three years beginning on May 1, 2020.

(3) Granted 2,920,000 options which vest ratably over three years beginning on May 1, 2021.

(4) Granted 80,000 options which vest ratably over three years beginning on May 1, 2021.

(5) Granted 793,000 options which vest ratably over three years beginning on the first anniversary of the date of grant.

(6) Granted 493,827 shares of restricted stock which vest ratably over three years beginning on May 1, 2020.

(7) Granted 80,000 options which vest ratably over three years beginning on May 1, 2021.

(8) Granted 920,000 options which vest ratably over three years beginning on May 1, 2021.

(9) Granted 500,000 options which vest ratably over five years beginning on the first anniversary of the date of grant.

(10) Granted 500,000 options which vest ratably over five years beginning on May 24, 2021.

(11) Granted 100,000 options which vest ratably over five years beginning on the first anniversary of the date of grant.

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Employment Agreements*Cacioppo Employment Agreement*

On July 3, 2022, we entered into an employment agreement with Mr. Cacioppo with retroactive effect to January 1, 2022 for the position of Chief Executive Officer and Chairman of the board of directors (the “Cacioppo Employment Agreement”). The Cacioppo Employment Agreement provides for Mr. Cacioppo’s at-will employment for an initial period of two years and one day following its effective date, with automatic renewal for one successive two-year period, unless written notice is provided at least 60 days prior to the end of the initial period. Mr. Cacioppo’s current annual base salary is \$750,000 (which will automatically be increased by \$100,000 on each anniversary of the effective date) and he is eligible to receive an annual bonus with a target amount of 100% of his annual base salary. The actual amount of any bonus earned by Mr. Cacioppo will be determined by the board, but in no event will such bonus be less than 100% of Mr. Cacioppo’s base salary. Mr. Cacioppo is also eligible to participate in the employee benefit plans available to our employees, subject to the terms of such plans, including our 2019 Equity Incentive Plan. Beginning on or before July 30, 2022, and each January 1 thereafter through January 1, 2026, Mr. Cacioppo will be eligible to receive an annual equity compensation award (an “LTI Award”) in the form of a stock option to purchase 3,000,000 shares. The Cacioppo Employment Agreement provides that the first two LTI Awards will be vested as to one-third of the option shares on the grant date, and the remaining option shares will vest in two equal installments on January 1 of each year following the option grant date, subject to Mr. Cacioppo’s continued service through the applicable vesting date. The second two LTI Awards will be vested as to 50% of the option shares on the grant date, and the remaining option shares will vest on the first anniversary of the option grant date, subject to Mr. Cacioppo’s continued service through such date. The fifth LTI Award will be fully vested on the January 1, 2026 option grant date. Each LTI Award will remain exercisable following Mr. Cacioppo’s termination date until the earlier of (i) the expiration of the option term and (ii) the fifth anniversary of Mr. Cacioppo’s termination date.

The Cacioppo Employment Agreement provides that in the event of a termination of Mr. Cacioppo’s employment by the Company without “cause” (as defined in the Cacioppo Employment Agreement), by our election not to renew the initial term of his employment agreement, or by Mr. Cacioppo for “good reason” (as defined in the Cacioppo Employment Agreement), then subject to Mr. Cacioppo’s execution and non-revocation of a general release of claims, Mr. Cacioppo will be eligible to receive: (i) a one-time lump sum payment in an amount equal to \$5,000,000, (ii) grant of the next LTI Award that would otherwise have been granted had Mr. Cacioppo remained employed by the Company through the next scheduled LTI Award date (or economically equivalent compensation in an alternative form if the grant of such awards would violate applicable law, or in the event there is an insufficient number of shares available under the company’s equity plan to make the LTI Award), and (iii) full vesting of all of Mr. Cacioppo’s outstanding equity-based awards.

Upon a termination of Mr. Cacioppo’s employment due to death, subject to his estate’s execution of a general release of claims in favor of the Company, his estate will be entitled to (i) a lump sum payment of a pro rata portion of his annual bonus in respect of the fiscal year in which such termination occurs, (ii) a lump sum cash payment in an amount equal to eighteen times the monthly COBRA premiums that Mr. Cacioppo would be required to pay to continue group health coverage at the level in effect on the date of his termination, and (iii) full vesting on the date of death of all outstanding equity-based award, subject to compliance with applicable law (clause (i) and (ii), the “Separation Payments”). Upon a termination of Mr. Cacioppo’s employment due to disability, Mr. Cacioppo will be eligible to receive the Separation Payments subject to his execution of a general release of claims in favor of the Company.

In the event of a change in control (as defined in the Cacioppo Employment Agreement), Mr. Cacioppo will be eligible to receive (i) a one-time lump sum payment in an amount equal to \$5,000,000, (ii) grant of the next LTI Award that would otherwise have been granted had Mr. Cacioppo remained employed by the Company through the next scheduled LTI Award date, and (iii) full vesting of all of Mr. Cacioppo’s outstanding equity-based awards. If any payment or benefit Mr. Cacioppo receives in connection with a change in control would constitute a “parachute payment” within the meaning of Internal Revenue Code Section 280G subject to the excise tax under Section 4999, Mr. Cacioppo will receive a full tax gross-up payment.

The Cacioppo Employment Agreement contains various restrictive covenants, including non-competition provisions during the term of his employment and for 18 months thereafter and non-solicitation provides during the term of his employment and for 2 years thereafter.

Barack Employment Agreement

We entered into an employment agreement with Mr. Barack effective May 1, 2019, which was modified by a letter agreement dated June 9, 2020. The employment agreement as modified provides for, among other things, an initial base salary of \$250,000, which may increase from time to time and has increased annually, most recently in 2021 to \$400,000, and a discretionary performance-based bonus that may be paid by us in cash or equity. Mr. Barack is also eligible, subject to approval by our board of directors or the compensation committee, for equity grants under the Plan. The employment agreement includes a standard six (6)-month noncompetition, two (2)-year non-solicitation and nondisclosure covenants. In the event Mr. Barack’s employment is terminated without cause (whether or not in connection with a change in control), he is entitled to receive a lump sum cash severance payment equivalent to six (6) months of his base salary, subject to his execution of a general releases of claims. Upon a change of control, he is automatically terminated and is entitled to a cash severance equivalent to six (6) months of his base salary and vesting acceleration of any outstanding equity grants.

Garcia-Berg Employment Agreement

We entered into an employment agreement with Mr. Garcia-Berg effective May 24, 2021. The employment agreement provides for, among other things, an initial base salary of \$330,000, which may increase from time to time, and a discretionary performance-based bonus targeted at 50% of his base salary that may be paid by us in cash or equity. Mr. Garcia-Berg is also eligible, subject to approval by our board of directors or the compensation committee, for equity grants under the Plan. The employment agreement includes a standard six (6)-month noncompetition, two (2)-year non-solicitation and nondisclosure covenants. In the event Mr. Garcia-Berg’s employment is terminated by the Company without cause either prior to a change in control or after the one year period following a change in control, then subject to his execution of a general release of claims in favor of the Company he is entitled to a lump sum cash payment based on the following schedule: (i) if less than 12 months of employment, 24 months of his base salary, (ii) if 12-17 months of employment, 18 months of his base salary, (iii) if 18-23 months of employment, 12 months of his base salary, or (iv) if greater than 24 months of employment, 6 months of his base salary. In addition, if Mr. Garcia-Berg’s employment is terminated by the Company without cause either upon a change of control or within the one year period following a change in control, then subject to his execution of a general release of claims in favor of the Company, he is entitled to vesting acceleration of his initial grant of stock options, and a lump sum cash payment equal to of 24 months of his base salary if such action occurs within the first 24 months of his employment or 12 months of base salary if such termination occurs thereafter.

Kremer Employment Agreement

We entered into an employment agreement with Mr. Kremer effective October 5, 2021. The employment agreement provides for, among other things, an initial base salary of \$400,000, which may increase from time to time, and a discretionary performance-based bonus targeted at 50% of his base salary that may be paid by us in cash or equity. However, the bonus he is eligible in his first year only has a feature where he is guaranteed 50% of such bonus and the remaining 50% is based on several financial-related filings and requirements being timely met. Mr. Kremer is also eligible, subject to approval by our board of directors or the compensation committee, for equity grants under the Plan. The employment agreement includes a standard six (6)-month noncompetition, two (2)-year non-solicitation and nondisclosure covenants. Prior to a change in control, in the event Mr. Kremer’s employment is terminated without cause or Mr. Cacioppo leaves in the first 12 months of Mr. Kremer’s employment and Mr. Kremer leaves for good reason, then he is entitled to a cash severance of 12 months of base salary to be paid over a 12-month period. Upon or following a change in control, in the event Mr. Kremer’s employment is terminated without cause or he leaves his employment for good reason, he is entitled to a cash severance of 12 months of base salary to be paid over a 12-month

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Compensation Elements

The executive compensation program during the fiscal year ended December 31, 2021 consisted of three (3) key elements: (i) base salaries; (ii) cash bonuses; and (iii) equity-based compensation.

Base Salaries

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to our success, the position and responsibilities of the NEOs and competitive industry pay practices for other high growth, similarly sized companies in the industry.

Incentive Compensation

Bonuses are awarded based on qualitative and quantitative performance standards and reward performance of each NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the industry in which we operate and may be based on measures such as acquisition activity, equity raises, revenue growth, EBITDA growth, and talent recruitment and retention, metrics the compensation committee and management believe to provide proper incentives for achieving long-term shareholder value for us at this time. Except as set forth above under the heading "*Cacioppo Employment Agreement*", the compensation committee and the board of directors, when required, retain full discretion over performance evaluation and the amount of any bonuses to be paid to NEOs.

Equity-Based Compensation

The long-term component of compensation for executive officers, including the NEOs, is currently based on a combination of restricted stock and/or stock options issued under the 2019 Equity Incentive Plan. This component of compensation is intended to reinforce management's long-term commitment to our performance. The board of directors believes that incentive compensation in the form of stock option grants and/or restricted stock awards which vest over time, typically three to five years, is beneficial and necessary to attract and retain both senior executives and managerial talent at other levels. Furthermore, the board of directors believes stock option grants are an effective long-term incentive vehicle because they are directly tied to share price over a longer period, up to 10 years, and motivate executives to deliver sustained long-term performance and increase shareholder value, and have a time horizon that aligns with long-term corporate goals. And restricted stock includes a tax component at issuance or vesting, whichever the grantee decides, which incentivizes the restricted stock grantee to deliver mid-term performance and increase shareholder value that aligns with mid-term corporate goals.

Restrictions on Hedging

Our Insider Trading and Reporting Policy prohibits our officers (including the NEOs), directors and employees from buying or selling financial instruments that are designed to hedge or offset a decrease in market value of our equity securities granted as compensation or held, directly or indirectly, by such individuals.

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Equity Incentive Plan Summary

On or about April 29, 2019, the shareholders of our predecessor first adopted the 2019 Equity Incentive Plan, as amended (the Plan), which amendments were most recently approved by our shareholders at our annual general meeting held on June 29, 2022.

The Plan permits the grant of: (i) nonqualified stock options (NQSOs) and incentive stock options (ISOs and collectively with NQSOs, Options); (ii) restricted stock awards (RSAs); (iii) restricted stock units (RSUs); (iv) stock appreciation rights (SARs); and (v) performance compensation awards (collectively with Options, RSAs, RSUs, and SARs, Awards).

As of December 31, 2021, the following Awards were outstanding under the Plan: (i) a total of 20,429,120 Options, representing approximately 11% of the then Outstanding Share Number; and (ii) a total of 2,859,151 unvested RSAs, representing less than 2% of the then Outstanding Share Number. As of December 31, 2021, an aggregate of 7,904,819 Subordinate Voting Shares remained available for issuance under the Plan, representing approximately 4% of the then Outstanding Share Number. There is an additional 1,314,147 Subordinate Voting Shares available for certain new hires.

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The number of shares that are available for issuance under the Plan cannot exceed 15% of the number of outstanding Subordinate Voting Shares, including the number of Subordinate Voting Shares underlying the Multiple Voting Shares and Super Voting Shares on an as-converted basis (the Fully Converted Number of Shares), plus an additional 2% of the Fully Converted Number of Shares that may be issued as inducement to employees and officers not previously employed by the Company and who were not previously an insider of the Company. Any Subordinate Voting Shares subject to an Award under the Plan that are forfeited, cancelled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the Plan. The maximum number of Subordinate Voting Shares that may be issued pursuant to the exercise of Incentive Stock Options will be equal to the share reserve as of May 31, 2022.

In the event of a capitalization adjustment (as defined in the Plan), the board of directors will appropriately and proportionately adjust (i) the class(es) and maximum number of securities that may be issued under the Plan, (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of incentive stock options, and (iii) the class(es) and number of securities and price per share subject to outstanding Awards. The board of directors will make such adjustments, and its determination will be final, binding and conclusive.

Purpose

The purpose of the Plan is to: (i) promote and retain employees, directors and consultants capable of assuring our future success; (ii) motivate management to achieve long-range goals; and (iii) to provide compensation and opportunities for ownership and alignment of interests with shareholders.

The Plan permits the grant of (i) Options; (ii) RSAs; (iii) RSUs; (iv) SARs; and (v) other awards, as more fully described below. Pursuant to the Plan, the board of directors administers the plan, but may delegate some or all of the administration of the Plan to a committee or committees thereof. The Plan is currently administered by the board of directors, and the board of directors has delegated to the Compensation Committee the ability to grant Awards with board of directors review for Directors and Officers.

Eligibility

Any of our employees, officers, directors, and consultants are eligible to participate (each a Participant) in the Plan if selected by the board of directors or the Compensation Committee. The basis of participation of an eligible recipient of an Award under the Plan, and the type and amount of any Award that an individual will be entitled to receive under the Plan, will be determined by board of directors and/or Compensation Committee.

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Awards

Options

The board of directors or Compensation Committee is authorized to grant Options under the Plan to purchase Subordinate Voting Shares that are either ISOs, meaning they are intended to satisfy the requirements of Section 422 of the Code, or NQSOs, which are not intended to satisfy the requirements of Section 422 of the Code; provided, however, that eligibility to receive an Award of ISOs is limited to our or our subsidiaries. Only employees are eligible to receive ISOs. Unless the board of directors or Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of an Option will not be less than the fair market value (as determined under the Plan) of the Subordinate Voting Shares at the time of grant. Options will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the board of directors or the Compensation Committee and specified in the applicable award agreement. The maximum term of an Option will be ten years from the date of grant (or five years in the case of an ISO granted to a 10% shareholder). Payment in respect of the exercise of an Option may be made in cash or by check, or by such other method as the board of directors or Compensation Committee may determine to be appropriate. The board of directors or Compensation Committee may, in its discretion, accelerate the vesting and exercisability of Options. Unless otherwise provided in the applicable award agreement or as may be determined by the board of directors or Compensation Committee, upon a Participant's termination of service with us the unvested portion of an Option will be forfeited.

Restricted Stock

A restricted stock award is a grant of Subordinate Voting Shares, which are subject to forfeiture restrictions during a restriction period. The board of directors or Compensation Committee will determine the price, if any, to be paid by the Participant for each Subordinate Voting Share subject to a restricted stock award. If any payment is required, it may be paid in cash, by check, or by such other method as the board of directors or Compensation Committee may determine to be appropriate. The board of directors or Compensation Committee may condition the expiration of the restriction period, if any, upon: (i) the Participant's continued service over a period of time with us or our affiliates; (ii) the achievement by the Participant, us or our affiliates of any other performance goals set by the board of directors or the Compensation Committee; or (iii) any combination of the above conditions as specified in the applicable award agreement. If the specified conditions are not attained, the Participant will forfeit the portion of the restricted stock award with respect to which of those conditions are not attained, and the underlying Subordinate Voting Shares will be forfeited or repurchased. At the end of the restriction period, if the conditions (if any) have been satisfied, the restrictions imposed will lapse with respect to the applicable number of Subordinate Voting Shares. During the restriction period, unless otherwise provided in the applicable award agreement, a Participant will have the right to vote the shares underlying the restricted stock and dividends will be paid as determined by the board of directors or Compensation Committee. The board of directors or Compensation Committee may, in its discretion, accelerate the vesting and delivery of shares of restricted stock. Unless otherwise provided in the applicable award agreement or as may be determined by the board of directors or Compensation Committee, upon a Participant's termination of service with us or our affiliates, the unvested portion of a restricted stock award will be forfeited or repurchased.

Restricted Stock Units

RSUs are granted in reference to a specified number of Subordinate Voting Shares and entitle the holder to receive, on achievement of specific performance goals established by the board of directors or Compensation Committee, after a period of continued service with us or our affiliates or any combination of the above as set forth in the applicable award agreement, one Subordinate Voting Share for each such Subordinate Voting Share covered by the RSU; provided, that the board of directors or Compensation Committee may elect to pay cash, or part cash and part Subordinate Voting Shares in lieu of delivering only Subordinate Voting Shares. The board of directors or Compensation Committee may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the board of directors or Compensation Committee, upon a Participant's termination of service with us or our affiliates, the unvested portion of the RSUs will be forfeited. RSU holders will not have any shareholder rights, including voting or dividend rights, with respect to their RSUs until Subordinate Voting Shares are issued in settlement of such RSUs; provided that the board of directors or Compensation Committee may provide for dividend equivalents, subject to applicable terms and conditions. The board of directors or Compensation Committee may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the board of directors or Compensation Committee, upon a Participant's termination of service with us or our affiliates, the unvested portion of an RSU award will be forfeited. AS of June 30, 2022, no RSUs have been awarded.

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Stock Appreciation Rights

An SAR entitles the Participant to receive, upon exercise of the SAR, a payment in an amount equal to the increase in the fair market value of a specified number of Subordinate Voting Shares from the date of the grant of the SAR and the date of exercise payable in Subordinate Voting Shares. Any grant may specify a vesting period or periods before the SAR may become exercisable and permissible dates or periods on or during which the SAR shall be exercisable. No SAR may be exercised more than ten years from the grant date. Upon a Participant's termination of service with us or our affiliates, the same general conditions applicable to Options as described above would be applicable to the SAR. The board of directors or Compensation Committee may, in its discretion, accelerate the vesting of SARs. Unless otherwise provided in the applicable award agreement or as may be determined by the board of directors or Compensation Committee, upon a Participant's termination of service with us or our affiliates, the unvested portion of an SAR will be forfeited. As of June 30, 2022, no SARs have been awarded.

Substitute Awards

If we or an affiliate acquires another company by merger, consolidation, stock purchase or asset purchase (an Acquired Entity), the board of directors may authorize the grant of

Substitute Awards to current and former employees, directors and consultants of the Acquired Entity in substitution for stock and stock-based awards (Acquired Entity Awards) held by the current and former employees, directors or consultants of the Acquired Entity to in order to preserve the economic value of the Acquired Entity Awards, subject to applicable Canadian securities laws. The number of Subordinate Voting Shares and the exercise price or purchase price (if applicable) underlying the Substitute Awards will be adjusted as the board of directors determines necessary to achieve preservation of economic value.

General

The board of directors or Compensation Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the Plan shall be nontransferable except by will or by the laws of descent and distribution. In general, no Participant shall have any rights as a Shareholder with respect to Subordinate Voting Shares covered by Options, SARs, or RSUs, unless and until such Awards are settled in Subordinate Voting Shares. No Option (or, if applicable, SARs) shall be exercisable, no Subordinate Voting Shares shall be issued, no certificates for Subordinate Voting Shares shall be delivered and no payment shall be made under the Plan except in compliance with all applicable laws. The board of directors may amend, alter, suspend, discontinue or terminate the Plan and the board of directors may amend any outstanding Award at any time; provided that (i) such amendment, alteration, suspension, discontinuation, or termination shall be subject to the approval of the Shareholders if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or requirements of an applicable securities exchange), and (ii) no such amendment or termination may adversely affect Awards then outstanding without the Award holder's permission. In the event of a Change in Control, as defined in the Plan, the board of directors may, in its sole discretion, cause any (or a combination) of the following to be effective upon the consummation of the Change in Control (or effective immediately prior to the consummation of the Change in Control, provided that the consummation of the change in control subsequently occurs): (i) arrange for the surviving corporation or acquiring corporation to assume or continue the Awards or to substitute a similar award for the Award (including, but not limited to, an award to acquire the same consideration paid to stockholders of the Company pursuant to the Change in Control), (ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Subordinate Voting Shares issued pursuant to the Award to the surviving corporation, (iii) accelerate the vesting, in whole or in part, of any Award to a date prior to the effective time of such Change in Control as the board of directors determines, with such Award terminating if not exercised immediately prior to the effective time of the Change in Control; (iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to any Award; (v) cancel or arrange for the cancellation of any Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the board of directors, in its discretion, may consider appropriate; and (vi) make a payment, in such form as may be determined by the board of directors equal to the excess, if any, of (A) the value of the property the participant would have received on exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise.

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Tax Withholding.

We may take such action as it deems appropriate to ensure that all applicable federal, state, provincial, local and/or foreign payroll, withholding income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant.

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CERTAIN RELATIONSHIPS AND RELATED-PERSON TRANSACTIONS

In addition to the executive officer and director compensation arrangements discussed above under "Management—Director Compensation" and "Executive Compensation," below we describe transactions since January 1, 2019 to which we have been or will be a participant, in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our directors, executive officers, or beneficial holders of more than five percent of any class of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

10% Senior Secured Notes

During the years ended December 31, 2019 and 2020, we issued 10% Senior Secured Notes with warrants, some of which were issued to related parties. 10% Senior Secured Notes and related warrants issued to directors, executive officers, and a significant shareholder are as follows:

Name	Relationship	Number of Warrants Issued ⁽²⁾	Principal Outstanding as of December 31, (in millions)		Interest Paid during the Years Ended December 31, (in millions)	
			2021	2020	2021	2020
James Cacioppo and controlled entities ⁽¹⁾	CEO	6,900,000	\$ —	\$ 11.5	\$ —	\$ 1.1
Denis Arseneault ⁽⁴⁾	Shareholder	6,000,000	\$ —	\$ 10.0	\$ —	\$ 0.9
Joseph Max Cohen	Former Executive and Former Board Member	450,000	\$ 0.56	\$ 0.75	\$ 0.06	\$ 0.02
Erich Mauff	Former Executive and Former Board Member	300,000	\$ —	\$ 0.5	\$ —	\$ 0.04
Kimberly Bambach and controlled entity ⁽³⁾	Former Executive	60,000	\$ 0.10	\$ 0.10	\$ 0.01	\$ —
Benjamin Cross	Board Member	120,000	\$ 0.15	\$ 0.20	\$ 0.02	\$ 0.02

(1) Entities controlled by James Cacioppo include One East Partners LP, OEP Opportunities L.P., JAC Serpentine, LLC, Serpentine Capital Management II LLC.

(2) The warrants have an exercise price of \$1.25 and expire on December 23, 2024. During the year ended December 31, 2021, 300,000 warrants were exercised by Mr. Mauff.

(3) The entity controlled by Kimberly Bambach is KABL Holdings LLC.

(4) Holds 3.68% of issued and outstanding Subordinate Voting Shares and 7.25% of Subordinate Voting Shares on a fully diluted basis.

Pursuant to the terms of the 10% Senior Secured Notes, in connection with the January 2021 and February 2021 equity offerings, in January 2021, we redeemed a total of \$8.1 million in 10% Senior Secured Notes. Of the total amount redeemed in January 2021, \$3.0 million was paid, at par value, to related parties above. In February 2021 certain of these related parties sold their remaining principal amounts of publicly traded 10% Senior Secured Notes totaling \$19.2 million.

Former Loans

On October 30, 2020, we entered into a promissory note with Jim Cacioppo, pursuant to which Mr. Cacioppo borrowed \$1,212,275.05 at a rate of 5% per annum, compounded annually. On October 27, 2021, as part of Mr. Cacioppo's bonuses earned in 2020 and 2021, the full principal amount plus interest of \$60,096.32 was paid by offset from such bonuses. The loan is no longer outstanding.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

On April 17, 2019 and October 30, 2020, we entered into a promissory note with Louis J. Barack, pursuant to which Mr. Barack borrowed \$800,000 at a rate of 2.89% per annum, compounded annually, and a promissory note in which Mr. Barack borrowed \$322,200 at a rate of 5% per annum, compounded annually, respectively. On October 27, 2021, as part of Mr. Barack's bonuses earned in 2020 and 2021, the full principal amount of the October 30, 2020 note plus interest of \$15,972.48 was paid by offset from such bonuses. On December 20, 2021, we repurchased 163,954 subordinate voting shares from Mr. Barack to fully satisfy the full principal amount of the April 17, 2019 note plus interest of \$63,352.62. The loans are no longer outstanding.

On October 30, 2020, we entered into a promissory note with our former Co-President and Director, Erich Mauff, pursuant to which Mr. Mauff borrowed \$719,810.20 at a rate of 5% per annum, compounded annually. Mr. Mauff, a founder of the Company, resigned as Co-President and Director on June 30, 2021. He serves as a consultant for the Company. On July 31, 2021, as part of Mr. Mauff's severance, we forgave the full principal amount plus interest of \$26,827.60. The loan is no longer outstanding.

On April 17, 2019 and October 30, 2020, we entered into a promissory note with Kimberly Bambach, pursuant to which Ms. Bambach borrowed \$1,012,500 at a rate of 2.89% per annum, compounded annually, and a promissory note in which Ms. Bambach borrowed \$194,522.98 at a rate of 5% per annum, compounded annually, respectively. On December 1, 2021, as part of Ms. Bambach's severance, we repurchased 307,803 subordinate voting shares from Ms. Bambach to fully satisfy the full principal amount of both notes plus interest of \$89,124.96. The loans are no longer outstanding.

Management Services Agreements

During the years ended December 31, 2021 and 2020, we paid \$0.04 million and \$0.2 million to entities controlled by our CEO for shared costs of administrative services, the provision of financial and research-related advice, and sourcing and assisting in mergers, acquisitions and capital transactions.

Review, Approval or Ratification of Transactions with Related Parties

We do not have any formal written policies and procedures for the review, approval, or ratification of transactions with related persons or conflicted transactions. However, in practice, when such transactions arise, they are referred to the board of directors for consideration and approval, and we rely on the board of directors to review related party transactions on an ongoing basis to prevent conflicts of interest. We intend to adopt a related party transaction policy in the future. In addition, as we are listed on the Canadian Securities Exchange and are a reporting issuer under Canadian securities laws, we are subject to Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions (MI 61-101) which includes requirements in connection with, among other things, “related party transactions” being transactions by which an issuer directly or indirectly engages in the following with a related party: acquires, sells, leases or transfers an asset, acquires the related party, acquires or issues treasury securities, amends the terms of a security if the security is owned by the related party or assumes or becomes subject to a liability or takes certain other actions with respect to debt. For the purposes of MI 61-101, the term “related party” includes directors, senior officers and holders of more than 10% of the voting rights attached to all outstanding voting securities of the issuer or holders of a sufficient number of any securities of the issuer to materially affect control of the issuer. MI 61-101 requires, subject to certain exceptions, the preparation of a formal valuation relating to certain aspects of the transaction and more detailed disclosure in the proxy material sent to security holders in connection with a related party transaction including related to the valuation. MI 61-101 also requires, subject to certain exceptions, that an issuer not engage in a related party transaction unless the shareholders of the issuer, other than the related parties, approve the transaction by a simple majority of the votes cast.

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PRINCIPAL STOCKHOLDERS

The following table provides information regarding the beneficial ownership of our Subordinate Voting Shares, as of July 6, 2022, by:

- each person or entity, or group of affiliated persons or entities, known by us to beneficially own more than 5.0% of our Subordinate Voting Shares;
- each of our directors;
- each of our NEOs; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, any Preferred Shares, Super Voting Shares, Multiple Voting Shares and Subordinate Voting Shares that a person has the right to acquire within 60 days of July 6, 2022 through the exercise of stock options, warrants or other rights are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name. Each shareholder's percentage ownership is based on 195,542,012 Subordinate Voting Shares and no Multiple Voting Shares, Super Voting Shares or Preferred Shares that were issued and outstanding as of July 6, 2022. Except as otherwise indicated, the address of each of the persons in this table is c/o Jushi Holdings Inc., 301 Yamato Road, Suite 3250, Boca Raton, Florida 33431.

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**Subordinate
Voting Shares(1)**

Name, Position and Address of Beneficial Owner	Number Beneficially Owned	% of Subordinate Voting Shares Beneficially Owned
James Cacioppo - Chief Executive Officer and Chairman Florida U.S.	35,313,467 ⁽²⁾	16.1%
Louis J. Barack - President and Corporate Secretary Florida, U.S.	5,448,107 ⁽³⁾	2.7%
Edward Kremer - Chief Financial Officer Connecticut, U.S.	—	*
Leonardo Garcia-Berg - Chief Operations Officer Connecticut, U.S.	100,000	*
Benjamin Cross - Director Connecticut, U.S.	419,080 ⁽⁴⁾	*
Stephen Monroe - Director New York, U.S.	227,636 ⁽⁵⁾	*
Peter Adderton - Director California, U.S.	169,080 ⁽⁶⁾	*
Marina Hahn - Director New York, U.S.	37,301 ⁽⁷⁾	*
All directors and executive officers as a group	41,714,671	19.37%

* Indicates percentage of less than 1.0%

(1) The total number of issued and outstanding Subordinate Voting Shares for purposes of calculating the percentage of Subordinate Voting Shares beneficially owned by each individual includes all restricted stock granted to such individual regardless of whether such restricted stock is vested or unvested.

(2) Includes 3,385,000 Subordinate Voting Shares subject to stock options that are or become exercisable within 60 days of July 6, 2022 and 20,010,002 Subordinate Voting Shares underlying warrants exercisable within 60 days of July 6, 2022.

(3) Includes 1,126,334 Subordinate Voting Shares subject to stock options that are or become exercisable within 60 days of July 6, 2022 and 1,500,000 Subordinate Voting Shares underlying warrants exercisable within 60 days of July 6, 2022.

(4) Includes 60,000 Subordinate Voting Shares subject to stock options that are or become exercisable within 60 days of July 6, 2022 and 120,000 Subordinate Voting Shares underlying warrants exercisable within 60 days of July 6, 2022.

(5) Includes 73,952 Subordinate Voting Shares subject to stock options that are or become exercisable within 60 days of July 6, 2022.

(6) Includes 60,000 Subordinate Voting Shares subject to stock options that are or become exercisable within 60 days of July 6, 2022.

(7) Includes 20,000 Subordinate Voting Shares subject to stock options that are or become exercisable within 60 days of July 6, 2022.

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DESCRIPTION OF CAPITAL STOCK

We are authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares, an unlimited number of Super Voting Shares and an unlimited number of Preferred Shares. The outstanding capital stock as of July 6, 2022 consists of 195,542,012 Subordinate Voting Shares; (ii) 0 Multiple Voting Shares; (iii) 0 Super Voting Shares and (iv) 0 Preferred Shares. In addition, as of July 6, 2022, there were outstanding warrants to purchase an aggregate 65,369,295 Subordinate Voting Shares and outstanding options to purchase an aggregate of 20,379,121 Subordinate Voting Shares. The following summary description of our capital shares is based on the provisions of our Articles. This information is qualified entirely by reference to the applicable provisions of our Articles. For information on how to obtain copies of our Notice of Articles and Articles, which are exhibits to the registration statement of which this prospectus is a part, see “Where You Can Find More Information.”

Subordinate Voting Shares

Voting Rights. Holders of the Subordinate Voting Shares are entitled to notice of and to attend any meeting of our shareholders, except a meeting of which only holders of another particular class or series of shares shall have the right to vote. At each such meeting holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held. Voting rights of the Subordinate Voting Shares are non-cumulative.

Alteration to Rights of Subordinate Voting Shares. As long as any Subordinate Voting Shares remain outstanding, we may not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any special right attached to the Subordinate Voting Shares. A special resolution means either (a) a resolution approved by two-thirds of the votes cast on the resolution at a properly called meeting of the shareholders, or (b) a resolution approved in writing by all of the shareholders holding shares that carry the right to vote on the matter at a shareholders meeting.

Dividends. Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors, dividends in cash or our property. No dividend will be declared or paid on the Subordinate Voting Shares unless we simultaneously declare or pay, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares and Super Voting Shares.

Liquidation, Dissolution or Winding-Up. In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or in the event of any other distribution of our assets among our shareholders for the purpose of winding up our affairs, the holders of Subordinate Voting Shares are, subject to the prior rights of the holders of any shares ranking in priority to the Subordinate Voting Shares, entitled to participate ratably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis), Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

Rights to Subscribe; Pre-Emptive Rights. Holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities now or in the future.

Subdivision or Consolidation. No subdivision or consolidation of the Subordinate Voting Shares, Multiple Voting Shares or Super Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares are subdivided or consolidated in the same manner or such other adjustment is made so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Super Voting Shares

Voting Rights. Holders of Super Voting Shares are entitled to notice of and to attend at any meeting of the shareholders, except a meeting of which only holders of another particular class or series of shares shall have the right to vote. At each such meeting, holders of Super Voting Shares are entitled to ten (10) votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted (1000 votes per Super Voting Share based on the current Conversion Ratio). Voting of the Super Voting Shares are non-cumulative.

Alteration to Rights of Super Voting Shares. As long as any Super Voting Shares remain outstanding, we may not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any special right attached to the Super Voting Shares. Consent of the holders of a majority of the outstanding Super Voting Shares is required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights in respect of any proposed alteration of rights, each holder of Super Voting Shares has one vote in respect of each Super Voting Share held. A special resolution means either (a) a resolution approved by two-thirds of the votes cast on the resolution at a properly called meeting of the shareholders, or (b) a resolution approved in writing by all of the shareholders holding shares that carry the right to vote on the matter at a shareholders meeting.

Dividends. Holders of Super Voting Shares have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted to Subordinated Voting Share basis) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares.

Liquidation, Dissolution or Winding-Up. In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or in the event of any other distribution of our assets among our shareholders for the purpose of winding up our affairs, holders of Super Voting Shares are, subject to the prior rights of the holders of any shares ranking in priority to the Super Voting Shares, entitled to participate ratably along with all other holders of Super Voting Shares (on an as-converted to Subordinate Voting Share basis), Subordinate Voting Shares and Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis).

Rights to Subscribe; Pre-Emptive Rights. Holders of Super Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities now or in the future.

Conversion. Holders of Super Voting Shares have the following conversion rights:

- (i) **Right to Convert.** The Super Voting Shares each have a restricted right to convert into 100 Subordinate Voting Shares, subject to adjustments for certain customary corporate changes. The ability to convert the Super Voting Shares is subject to a restriction that the aggregate number of Subordinate Voting Shares and Super Voting Shares held of record, directly or indirectly, by residents of the U.S. (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended, may not exceed forty five percent (45%) of the aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares issued and outstanding after giving effect to such conversions and to a restriction on beneficial ownership of Subordinate Voting Shares exceeding certain levels. In addition, each Super Voting Share shall automatically be converted in certain circumstances described below.
- (ii) **Automatic Conversion.** A Super Voting Share will automatically be converted (without further action by the holder thereof) into one Subordinate Voting Share upon the transfer by the holder thereof to anyone other than another Founder, an immediate family member of a Founder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by a Founder or immediate family members of a Founder or which a Founder or immediate family members of a Founder are the sole beneficiaries thereof, which we refer to as a Transfer Conversion.

- (iii) **Anti-Dilution Provision.** The Super Voting Shares are subject to standard anti-dilution adjustments in the event the Company declares a distribution to holders of Subordinate Voting Shares, effects a recapitalization of the Subordinate Voting Shares, issues Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares, or subdivides or consolidates the outstanding Subordinate Voting Shares. In the event such an anti-dilution adjustment occurs, it shall be effected by adjusting the Conversion Ratio applicable to the Super Voting Shares at such time. As a result, holders of Super Voting Shares shall be entitled to (i) a proportionate share of any distribution as though they were holders of the number of Subordinate Voting Shares into which their Super Voting Shares are convertible as of the record date fixed for determination of the holders of Subordinate Voting Shares entitled to receive such distribution and (ii) receive, upon conversion of Super Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled in connection with a recapitalization or stock split.

- (iv) **No Fractional Shares and Certificate as to Adjustments.** No fractional Multiple Voting Shares shall be issued upon the conversion of any share or shares of Super Voting Shares and the number of Multiple Voting Shares to be issued shall be rounded up to the nearest whole Multiple Voting Share.

Multiple Voting Shares

Voting Rights. Holders of Multiple Voting Shares are entitled to notice of and to attend at any meeting of our shareholders, except a meeting of which only holders of another particular class or series of shares have the right to vote. At each such meeting, holders of Multiple Voting Shares are entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could ultimately then be converted (10 votes per Multiple Voting Share based on the current Conversion Ratio). Voting of the Multiple Voting Shares are non-cumulative.

Alteration to Rights of Multiple Voting Shares. As long as any Multiple Voting Shares remain outstanding, we may not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any special right attached to the Multiple Voting Shares. In connection with the exercise of the voting rights relating to any proposed alteration of rights, each holder of Multiple Voting Shares has one vote in respect of each Multiple Voting Share held. A special resolution means either (a) a resolution approved by two-thirds of the votes cast on the resolution at a properly called meeting of the shareholders, or (b) a resolution approved in writing by all of the shareholders holding shares that carry the right to vote on the matter at a shareholders meeting.

Dividends. Holders of Multiple Voting Shares have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend may be declared or paid on the Multiple Voting Shares unless we simultaneously declare or pay, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Super Voting Shares.

Liquidation, Dissolution or Winding-Up. In the event of the liquidation, dissolution or winding-up of Jushi whether voluntary or involuntary, or in the event of any other distribution of our assets among our shareholders for the purpose of winding up our affairs, holders of Multiple Voting Shares, subject to the prior rights of the holders of any shares ranking in priority to the Multiple Voting Shares, are entitled to participate ratably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis), Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

Rights to Subscribe; Pre-Emptive Rights. Holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities now or in the future.

Conversion. Subject to the Conversion Restrictions described below, holders of Multiple Voting Shares have the following conversion rights:

- (i) **Right to Convert.** Each Multiple Voting Share is convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share in effect on the date the Multiple Voting Share is surrendered for conversion. The initial “Conversion Ratio” for Multiple Voting Shares is one (1) Subordinate Voting Shares for each Multiple Voting Share, subject to adjustment as described below.
- (ii) **Conversion Limitations.** The Company shall not effect any conversion of Multiple Voting Shares and a holder of Multiple Voting Shares shall not have the right to convert any portion of its Multiple Voting Shares to the extent that after giving effect to such issuance after conversion, such holder (together with such holder’s Affiliates (each, an “Affiliate” as defined in Rule 12b-2 under the Exchange Act, and any other persons acting as a group together with the such holder or any holder’s Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to applicable conversion (the “Beneficial Ownership Limitation”). A holder of Multiple Voting Shares, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation, provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the applicable conversion. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company.
- (iii) **Mandatory Conversion.** We may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):
- (A) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the Securities Act;
 - (B) the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act; and
 - (C) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).
- (iv) **Anti-Dilution.** The Multiple Voting Shares are subject to standard anti-dilution adjustments in the event the Company declares a distribution to holders of Subordinate Voting Shares, effects a recapitalization of the Subordinate Voting Shares, issues Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares, or subdivides or consolidates the outstanding Subordinate Voting Shares. In the event such an anti-dilution adjustment occurs, it shall be effected by adjusting the Conversion Ratio applicable to the Multiple Voting Shares at such time. As a result, holders of Multiple Voting Shares shall be entitled to (i) a proportionate share of any distribution as though they were holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for determination of the holders of Subordinate Voting Shares entitled to receive such distribution and (ii) receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled in connection with a recapitalization or stock split.

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- (v) **No Fractional Shares and Certificate as to Adjustments.** No fractional Subordinate Voting Shares shall be issued upon the conversion of any share or shares of Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded up to the nearest whole Subordinate Voting Share.

Preferred Shares

The voting rights, rights to dividends and rights on the liquidation, voting, conversion, exchange or reclassification, redemption, retraction or purchase for cancellation rights and other rights of the holders of the Preferred Shares will be determined by our board of directors, if, as and when such Preferred Shares are issued. Some or all of such terms could be in priority or preference to, and could adversely affect the voting power or other rights of the holders of the Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares.

Note Warrants

The Note Warrants were issued in connection with the 10% Senior Secured Notes debt financing. Subscribers of the 10% Senior Secured Notes debt financing were issued Note Warrants to acquire Subordinate Voting Shares of the Company equal to 75% of the principal amount of the applicable 10% Senior Secured Note divided by an exercise price of \$1.25. The Note Warrants have an expiration date of December 23, 2024. See Note 13 to our Consolidated Financial Statements for the years ended December 31, 2021 and 2020 included elsewhere in this prospectus.

Provisions of British Columbia Law Governing Business Combinations

All provinces of Canada have adopted National Instrument 62-104 entitled “Take-Over Bids and Issuer Bids” and related forms to harmonize and consolidate take-over bid and issuer bid regimes nationally, or NI 62-104. The Canadian Securities Administrators, or CSA, have also issued National Policy 62-203 entitled “Take-Over Bids and Issuer Bids,” or the National Policy, which contains regulatory guidance on the interpretation and application of NI 62-104 and on the conduct of parties involved in a bid. The National Policy and NI 62-104 are collectively referred to as the “Bid Regime.” The National Policy does not have the force of law, but is an indication by the CSA of what the intentions and desires of the regulators are in the areas covered by their policies. Unlike some regimes where the take-over bid rules are primarily policy-driven, in Canada the regulatory framework for take-over bids is primarily rules-based, which rules are supported by policy.

A “take-over bid” or “bid” is an offer to acquire outstanding voting or equity securities of a class made to any person who is in one of the provinces of Canada or to any securityholder of an offeree issuer whose last address as shown on the books of a target is in such province, where the securities subject to the offer to acquire, together with the securities “beneficially owned” by the offeror, or any other person acting jointly or in concert with the offeror, constitute in the aggregate 20% or more of the outstanding securities of that class of securities at the date of the offer to acquire. For the purposes of the Bid Regime, a security is deemed to be “beneficially owned” by an offeror as of a specific date if the offeror is the beneficial owner of a security convertible into the security within 60 days following that date, or has a right or obligation permitting or requiring the offeror, whether or not on conditions, to acquire beneficial ownership of the security within 60 days by a single transaction or a series of linked transactions. Offerors are also subject to early warning requirements, where an offeror who acquires “beneficial ownership of”, or control or direction over, voting or equity securities of any class of a reporting issuer or securities convertible into, voting or equity securities of any class of a target that, together with the offeror’s securities, would constitute 10% or more of the outstanding securities of that class must promptly publicly issue and file a news release containing certain prescribed information, and, within two business days, file an early warning report containing substantially the same information as is contained in the news release.

In addition, where an offeror is required to file an early warning report or a further report as described and the offeror acquires or disposes of beneficial ownership of, or the power to exercise control or direction over, an additional 2% or more of the outstanding securities of the class, or disposes of beneficial ownership of outstanding securities of the class below 10%, the offeror must issue an additional press release and file a new early warning report. Any material change in a previously filed early warning report also triggers the issuance and filing of a new press release and early warning report. During the period commencing on the occurrence of an event in respect of which an early warning report is required and terminating on the expiry of one business day from the date that the early warning report is filed, the offeror may not acquire or offer to acquire

beneficial ownership of any securities of the class in respect of which the early warning report was required to be filed or any securities convertible into securities of that class. This requirement does not apply to an offeror that has beneficial ownership of, or control or direction over, securities that comprise 20% of more of the outstanding securities of the class.

Related party transactions, issuer bids and insider bids are subject to additional regulation that may differ depending on the particular jurisdiction of Canada in which it occurs.

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Take-Over Bid Protection

There are currently no Super Voting Shares or Multiple Voting Shares issued and outstanding. Under applicable Canadian law, an offer to purchase Super Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares or Multiple Voting Shares. In accordance with the rules applicable to most issuers with dual class share structures in Canada, in the event of a take-over bid, the holders of Subordinate Voting Shares or of Multiple Voting Shares must be entitled to participate on an equal footing with holders of Super Voting Shares.

As a result, if in the future we decide to issue Super Voting Shares, as a condition to the issuance of such shares, we would enter into a coattail agreement with the holders of the Super Voting Shares and Odyssey Trust Company or some other trustee, which we refer to as the “Coattail Agreement”. Such Coattail Agreement would contain provisions customary for dual class, listed corporations designed to prevent transactions that would otherwise deprive the holders of Subordinate Voting Shares or of Multiple Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Super Voting Shares had been Subordinate Voting Shares or Multiple Voting Shares.

Among other terms and conditions that would be contained in the Coattail agreement and would be subject to negotiation and approval of our board of directors, the holders of the Super Voting Shares and the trustee, the undertakings in the Coattail Agreement would not apply to prevent a sale by any holder of Super Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares and Multiple Voting Shares that:

- (a) offers a price per Subordinate Voting Share or Multiple Voting Share (on an as converted to Subordinate Share basis) at least as high as the highest price per share paid pursuant to the take-over bid for the Super Voting Shares (on an as converted Subordinate Voting Share basis);
- (b) provides that the percentage of outstanding Subordinate Voting Shares or Multiple Voting Shares be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Super Voting Shares to be sold (exclusive of Super Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for the Subordinate Voting Shares or Multiple Voting Shares tendered if no shares are purchased pursuant to the offer for Super Voting Shares; and
- (d) is in all other material respects identical to the offer for Super Voting Shares.

Other Important Provisions in our Articles

The following is a summary of certain important provisions of our articles. Please note that this is only a summary, is not intended to be exhaustive and is qualified in its entirety by reference to our articles. For further information, please refer to the full version of our articles which have been filed as an exhibit to the registration statement of which this prospectus forms a part.

Objects and Purposes of the Company

Our articles do not contain and are not required to contain a description of our objects and purposes. There is no restriction contained in our articles on the business that we may carry on.

General Borrowing Power

Pursuant to section 8 of our articles, we may, if authorized by our board of directors: (i) borrow money in the manner and amount, on the security, from the sources, and on the terms and conditions that our directors consider appropriate; (ii) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of us or any other person and at such discounts or premiums and on such other terms as our directors consider appropriate; (iii) guarantee the repayment of money by any other person or the performance of any other obligation by any other person; and (iv) mortgage, charge, whether by way of a specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of us.

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Share Rights

See the discussion in the section of this prospectus entitled “Description of Capital Stock” for a summary of our authorized capital and the rights attached to our super voting shares, multiple voting shares and subordinate voting shares.

Alteration of Authorized Share Structure

Pursuant to Section 9 of our articles, and subject to the *Business Corporation Act* (British Columbia), our board of directors may, by resolution: (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares; (b) increase, reduce or eliminate the maximum number of shares that our company is authorized to issue out of any class or series of shares or establish a maximum number of shares that our company is authorized to issue out of any class or series of shares for which no maximum is established; (c) alter the identifying name of any of our shares; (d) subdivide or consolidate all or any of our unissued, or fully paid issued, shares; (e) if our company is authorized to issue shares of a class of shares with par value: (A) decrease the par value of those shares; or (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (f) change all or any of our unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or (g) otherwise alter our shares or authorized share structure when required or permitted to do so by the *Business Corporations Act* (British Columbia). Our board of directors may, by resolution, authorize an alteration of our Notice of Articles in order to change our company’s name or adopt or change any translation of that name.

Quorum

Under our articles, the quorum for the transaction of business at a meeting of our board of directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director. Under our articles, the quorum for the transaction of business at a meeting of our shareholders is two persons who are, or who represent by proxy, shareholders entitled to vote at the meeting, who hold in the aggregate, at least 5% of our issued shares entitled to vote at such meeting.

Impediments to Change of Control

Our articles of incorporation do not contain any change of control limitations with respect to a merger, acquisition or corporate restructuring that involves us.

Forum for Adjudication of Certain Disputes

Pursuant to section 28 of our articles, unless our company approves or consents in writing to the selection of an alternative forum, the courts of the province of British Columbia and appellate courts therefrom shall be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of our company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of our company to our company, (c) any action asserting a claim arising pursuant to any provision of the *Business Corporations Act* (British Columbia) or the notice of articles or articles of our company (as either may be amended from time to time); or (d) any action asserting a claim otherwise related to the relationships among our company, its affiliates and their respective shareholders, directors and/or officers, but this does not include claims related to the business carried on by our company or such affiliates; *provided however* it is uncertain whether such provision would apply to actions arising under U.S. federal securities laws, and if it does, whether a British Columbia Court would enforce such provision, since in accordance with Section 27 of the Exchange Act, United States federal courts shall have jurisdiction over all suits and any action brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and that in accordance with Section 22 of the Securities Act, United States federal and state courts shall have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Our shareholders will not be deemed, by operation of the choice of forum provision, to have waived our obligation to comply with all applicable United States federal securities laws and the rules and regulations thereunder.

Compliance Provisions

Section 29 of our articles contain certain provisions, which we refer to as the Compliance Provisions, which include a combination of certain remedies such as an automatic suspension of voting and/or dividend rights, a discretionary right to force a share transfer to a third party and/or a discretionary redemption right in favor of our company.

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The purpose of the Compliance Provisions are to provide our company with a means of protecting itself from having a shareholder, or as determined by our board of directors, a group of shareholders acting jointly or in concert, with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over) (Owning or Controlling), five percent (5%) or more of the issued and outstanding shares of our company, or such other number as is determined by our board of directors from time to time, and: (i) who a governmental authority granting licenses to, or otherwise governing the operations of, our company or its subsidiaries has determined to be unsuitable to own any of our company's shares; (ii) whose ownership of any of shares may reasonably result in the loss, suspension or revocation (or similar action) with respect to any licenses or permits relating to our company's or its subsidiaries' conduct of business (being the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products in the U.S., which include the owning and operating of cannabis licenses) or in our company being unable to obtain any new licenses or permits in the normal course, all as determined by our board of directors; or (iii) who have not been determined by the applicable regulatory authority to be an acceptable person or otherwise have not received the requisite consent of such regulatory authority to own shares, in each case within a reasonable time period acceptable to our board of directors or prior to acquiring any shares, as applicable.

Advance Notice Policy

We have adopted an advance notice policy (the Advance Notice Policy) which provides that shareholders seeking to nominate candidates for election as directors other than pursuant to a proposal or requisition of shareholders made in accordance with the provisions of the *Business Corporations Act* (British Columbia), must provide timely written notice to our Corporate Secretary. To be timely, a shareholder's notice must be received (i) in the case of an annual meeting of shareholders, not later than close of business on the 30th day prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the shareholder must be received not later than the close of business on the 10th day following the date of such public announcement; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board of directors, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. The Advance Notice Policy also prescribes the proper written form for a shareholder's notice.

Ownership and Exchange Controls

Limitations on the ability to acquire and hold our shares may be imposed by the *Competition Act* (Canada). This legislation establishes a pre-merger notification regime for certain types of merger transactions that exceed certain statutory shareholding and financial thresholds. Transactions that are subject to notification cannot be closed until the required materials are filed and the applicable statutory waiting period has expired or been waived by the Commissioner of Competition, or the Commissioner. Further, the *Competition Act* (Canada) permits the Commissioner to review any acquisition of control over or of a significant interest in us, whether or not it is subject to mandatory notification. This legislation grants the Commissioner jurisdiction, for up to one year, to challenge this type of acquisition before the Canadian Competition Tribunal if it would, or would be likely to, substantially prevent or lessen competition in any market in Canada.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR UNITED STATES RESIDENTS

The following is, at the date hereof, a summary of certain Canadian federal income tax considerations generally applicable to a holder of Subordinate Voting Shares who, at all relevant times, (A) for the purposes of the *Income Tax Act* (Canada), or the Canadian Tax Act, (i) is not resident, or deemed to be resident, in Canada, (ii) deals at "arm's length" with us, (iii) holds all Subordinate Voting Shares as capital property, (iv) does not use or hold any of the Subordinate Voting Shares in the course of carrying on, or otherwise in connection with, a business carried on or deemed to be carried on in Canada, (v) is not an insurer who carries on an insurance business in Canada and elsewhere, and (vi) is not an "authorized foreign bank" (as defined in the Canadian Tax Act), and (B) for the purposes of the Canada-U.S. Tax Convention (1980), or the Tax Treaty, (i) is a resident of the U.S., (ii) has never been a resident of Canada, and (iii) who qualifies for the full benefits of the Tax Treaty. Holders of Subordinate Voting Shares who meet all of the above criteria are referred to herein as "U.S. Holders", and this summary only addresses such U.S. Holders.

This summary is based on the current provisions of the Canadian Tax Act in force as of the date hereof, the regulations thereunder in force at the date hereof, or the Regulations, the current provisions of the Tax Treaty, in force as of the date hereof, and an understanding of the administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Canadian Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, which we refer to as the Proposed Amendments, and assumes that such Proposed Amendments will be enacted in the form proposed. However, such Proposed Amendments might not be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account tax laws of any province or territory of Canada or of any other jurisdiction outside Canada, which may differ significantly from those discussed in this summary.

For the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Subordinate Voting Shares generally must be converted into Canadian dollars, including dividends, adjusted cost base and proceeds of disposition, using the single daily exchange rate as quoted by the Bank of Canada for the relevant day, or such other rate of exchange that is acceptable to the Canada Revenue Agency.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR U.S. HOLDER, AND NO REPRESENTATION WITH RESPECT TO THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES TO ANY PARTICULAR U.S. HOLDER OR PROSPECTIVE U.S. HOLDER IS MADE. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, ALL PROSPECTIVE HOLDERS (INCLUDING U.S. HOLDERS AS DEFINED ABOVE) SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR ADVICE WITH RESPECT TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Withholding Tax on Dividends

Amounts paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of, dividends on Subordinate Voting Shares to a U.S. Holder will be subject to Canadian withholding tax. Under the Canadian Tax Act, the rate of withholding is 25% of the gross amount of the dividend. Under the Tax Treaty, the withholding tax rate on any such dividend beneficially owned by a U.S. Holder is generally reduced to 15% or, in the case of an eligible U.S. Holder that is a U.S. company that beneficially owns at least 10% of the voting stock of us, to 5% of the gross amount of such dividends.

Dispositions of Subordinate Voting Shares

A U.S. Holder who disposes, or is deemed to have disposed, of Subordinate Voting Shares will not be subject to income tax under the Canadian Tax Act in respect of any capital gain realized on such disposition or deemed disposition unless, at the time of such disposition or deemed disposition, the Subordinate Voting Shares are or are deemed to be “taxable Canadian property” (as defined in the Canadian Tax Act) to the U.S. Holder, and the gain is not exempt from tax pursuant to the terms of the Tax Treaty.

Provided that the Subordinate Voting Shares are listed on a “designated stock exchange” as defined in the Canadian Tax Act (which currently includes the Canadian Securities Exchange) at the time of disposition, the Subordinate Voting Shares will generally not constitute taxable Canadian property of U.S. Holder at that time, unless at any time during the 60-month period immediately preceding the disposition, the following two conditions are met concurrently: (a) one or any combination of (i) the U.S. Holder, (ii) persons with whom the U.S. Holder did not deal at arm’s length, or (iii) partnerships in which the U.S. Holder or such non-arm’s length persons held a membership interest (either directly or indirectly through one or more partnerships), owned 25% or more of the issued shares of any class or series of the capital stock of us; and (b) more than 50% of the fair market value of the Subordinate Voting Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Canadian Tax Act), “timber resource properties” (as defined in the Canadian Tax Act) or an option in respect of, an interest in, or for civil law purposes, a right in, any such property, whether or not such property exists. The Subordinate Voting Shares may also be deemed to be taxable Canadian property to a U.S. Holder for purposes of the Canadian Tax Act in certain circumstances.

Non-Resident Holders whose Common Shares are taxable Canadian property should consult their own tax advisors.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion is a summary of certain U.S. federal income tax considerations applicable to Non-U.S. Holders (as defined below) with respect to their purchase, ownership and disposition of Subordinate Voting Shares. This discussion is for general information only and is not tax advice. Accordingly, all prospective Non-U.S. Holders of our Subordinate Voting Shares should consult their tax advisors with respect to the U.S. federal, state and local and non-U.S. tax consequences of the purchase, ownership and disposition of our Subordinate Voting Shares.

This discussion is based on current provisions of the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus, all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any change could alter the tax consequences to Non-U.S. Holders described in this prospectus. We assume in this discussion that a Non-U.S. Holder holds shares of our Subordinate Voting Shares as a capital asset (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Non-U.S. Holder in light of that Non-U.S. Holder’s individual circumstances nor does it address, except to the limited extent discussed below, any aspects of U.S. federal estate or gift taxes, or state, local or non-U.S. taxes. This discussion also does not consider any specific facts or circumstances that may apply to a Non-U.S. Holder and does not address the special tax rules applicable to particular Non-U.S. Holders, such as:

- banks, insurance companies and other financial institutions;
- tax-exempt organizations;
- holders that own or are deemed to own more than 5% of our capital stock
- financial institutions;
- brokers traders or dealers in securities or currencies;

- regulated investment companies;
- pension plans;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- passive foreign investment companies;
- persons subject to the U.S. federal alternative minimum tax or the 3.8% tax on net investment income;
- holders who hold or receive our securities pursuant to the exercise of employee stock options or otherwise as compensation;

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- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by one or more qualified foreign pension funds;
- owners that hold our Subordinate Voting Shares as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment; and
- certain U.S. expatriates.

In addition, this discussion does not address the tax treatment of partnerships (or entities or arrangements treated as partnerships) or other pass-through entities, or persons who hold our Subordinate Voting Shares through partnerships (or entities or arrangements treated as partnerships) or other pass-through entities, in each case for U.S. federal income tax purposes. A partner in a partnership or other pass-through entity that will hold our Subordinate Voting Shares should consult his, her or its tax advisor regarding the tax consequences of acquiring, holding and disposing of our Subordinate Voting Shares through a partnership (or entity or arrangement treated as a partnership) or other pass-through entity, as applicable.

We have not sought and will not seek any ruling from the U.S. Internal Revenue Service (the IRS) with respect to the statements made and the conclusions reached in the following discussion. There can be no assurance that the IRS will not challenge one or more of the tax consequences described herein, or that any such challenge would not be sustained by a court.

NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL TAX LAWS TO THEIR PURCHASE, OWNERSHIP AND DISPOSITION OF OUR SUBORDINATE VOTING SHARES IN LIGHT OF THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, a Non-U.S. Holder means a beneficial owner of our Subordinate Voting Shares that, for U.S. federal income tax purposes, is an individual, corporation, estate or trust that is not a U.S. person. For purposes of this discussion, a U.S. person is:

- an individual who is a citizen or resident of the U.S. for U.S. federal income tax purposes;
- a corporation, or any other entity or organization taxable as a corporation for U.S. federal income tax purposes, created or organized in the U.S. or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust’s administration and one or more U.S. persons have the authority to control all of the trust’s substantial decisions or (2) the trust has a valid election in effect to be treated as a U.S. person.

We are and expected to continue to be a Canadian corporation as of the date of this registration statement. We are treated as a Canadian resident company under the Canadian Tax Act, as amended, and are subject to Canadian income taxes.

We are also treated as a U.S. corporation subject to U.S. federal income tax pursuant to Section 7874 of the Code and are also subject to U.S. federal income tax on our worldwide income. As a result, we are subject to taxation both in Canada and the U.S. A number of material U.S. federal income tax consequences may result from our classification under Section 7874 of the Code, and this summary is not intended to describe all such U.S. federal income tax consequences. Section 7874 of the Code and the Treasury Regulations promulgated thereunder do not address all the possible tax consequences that arise from our treatment as a U.S. corporation for U.S. federal income tax purposes. Accordingly, there may be additional or unforeseen U.S. federal income tax consequences that are not discussed in this summary. Each holder should seek tax advice, based on such shareholder’s particular circumstances, from an independent tax advisor.

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Distributions on Our Subordinate Voting Shares

As described in the section entitled “Dividend Policy,” we have not made distributions on our Subordinate Voting Shares in the past and currently do not plan to make any distributions for the foreseeable future. However, if we do make distributions of cash or property on our Subordinate Voting Shares, those payments generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the Non-U.S. Holder’s investment, up to such holder’s tax basis in the Subordinate Voting Shares. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in “—Gain on Sale, Exchange or Other Disposition of Our Subordinate Voting Shares.”

Subject to the discussion below on backup withholding and FATCA (defined below), dividends paid to a Non-U.S. Holder generally will be subject to withholding of U.S. federal income tax at a 30.0% rate or such lower rate as may be specified by an applicable income tax treaty. A Non-U.S. Holder of our Subordinate Voting Shares who claims the benefit of an applicable income tax treaty generally will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or other appropriate version of IRS

Form W-8 or successor form) and satisfy applicable certification and other requirements. Non-U.S. Holders are urged to consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Dividends that are treated as effectively connected with a trade or business conducted by a Non-U.S. Holder within the U.S. and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the Non-U.S. Holder within the U.S., are generally exempt from the 30.0% withholding tax if the Non-U.S. Holder satisfies applicable certification and disclosure requirements by providing a properly executed IRS Form W-8ECI (or successor form). However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons. In addition, any U.S. effectively connected income received by a Non-U.S. Holder that is a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) may also, under certain circumstances, be subject to an additional U.S. federal branch profits tax at a 30.0% rate or such lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. Holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing a U.S. federal income tax return with the IRS.

Gain on Sale, Exchange or Other Disposition of Our Subordinate Voting Shares

Subject to the discussion below on backup withholding and FATCA, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized upon such holder's sale, exchange or other disposition of our Subordinate Voting Shares unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business and, if an applicable income tax treaty so provides, is attributable to a permanent establishment or a fixed base maintained by such Non-U.S. Holder in the U.S., in which case the Non-U.S. Holder generally will be taxed at the graduated U.S. federal income tax rates applicable to U.S. persons and, if the Non-U.S. Holder is a corporation (or an entity treated as a corporation for U.S. federal income tax purposes), it also may be subject to a U.S. federal branch profits tax at a rate of 30.0% (or such lower rate as may be specified by an applicable income tax treaty) on such effectively connected gain;

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- the Non-U.S. Holder is a nonresident alien individual for U.S. federal income tax purposes who is present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the Non-U.S. Holder will be subject to a 30.0% tax (or such lower rate as may be specified by an applicable income tax treaty) on the net gain derived from the disposition, which may be offset by certain U.S. source capital losses of the Non-U.S. Holder, if any; or
- we are, or have been, at any time during the five-year period preceding such disposition (or the Non-U.S. Holder's holding period, if shorter) a U.S. real property holding corporation for U.S. federal income tax purposes. Generally, a corporation is a U.S. real property holding corporation only if the fair market value of its U.S. real property interests equals or exceeds 50.0% of the sum of the fair market value of its worldwide real property interests plus the fair market value of any other of its assets used or held for use in a trade or business. Although there can be no assurance, we do not believe that we are, or have been, a U.S. real property holding corporation, or that we are likely to become one in the future. Even if we are or were to become a U.S. real property holding corporation, gains realized by a Non-U.S. Holder on a disposition of our Subordinate Voting Shares will not be subject to U.S. federal income tax under this rule if our Subordinate Voting Shares is regularly traded on an established securities market and the Non-U.S. Holder holds no more than 5.0% of our outstanding Subordinate Voting Shares, directly or indirectly, during the shorter of the 5-year period ending on the date of the disposition or the period that the Non-U.S. Holder held our Subordinate Voting Shares. No assurance can be provided that our Subordinate Voting Shares will be regularly traded on an established securities market for purposes of the rules described above.

U.S. Federal Estate Tax

Property having a U.S. situs generally is includible in the gross estate of an individual Non-U.S. Holder for U.S. federal estate tax purposes. Because we are a U.S. corporation, our Subordinate Voting Shares will be U.S. situs property for U.S. federal estate tax purposes and, therefore, generally will be included in the gross estate of an individual who is a Non-U.S. Holder at the time of his or her death, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

We must report annually to the IRS and to each Non-U.S. Holder payments of dividends on our Subordinate Voting Shares to such holder and the tax withheld, if any, with respect to such dividends, along with certain other information. Non-U.S. Holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person in order to avoid backup withholding with respect to dividends on our Subordinate Voting Shares. Dividends paid to Non-U.S. Holders subject to the U.S. withholding tax, as described above in "—Distributions on our Subordinate Voting Shares," generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our Subordinate Voting Shares by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or non-U.S., unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the U.S. through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. Holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or is incorporated under the provisions of a specific treaty or other agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

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Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the Code and related Treasury regulations and guidance, commonly referred to as FATCA, generally imposes a U.S. federal withholding tax at a rate of 30.0% on certain payments (including on dividends on our Subordinate Voting Shares) that are made to certain non-U.S. entities (including foreign financial institutions and non-financial foreign entities, both as specifically defined under FATCA), unless such non-U.S. entities establish that they are compliant with or exempt from FATCA. To comply with FATCA, a foreign financial institution generally is required to register with the IRS, collect and provide to tax authorities information regarding U.S. account holders of such institution (including certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners), and provide withholding agents with a certification that it is compliant with FATCA. A non-financial foreign entity generally is required to provide withholding agents with either a

certification that it does not have any substantial direct or indirect U.S. owners or information regarding substantial direct and indirect U.S. owners of the entity, or otherwise establishes an exemption from FATCA. An intergovernmental agreement between the U.S. and an applicable foreign country may, however, modify these requirements and these requirements are different from and in addition to the certification requirements described elsewhere in this discussion.

Subject to the recent Treasury Regulations described in the following sentence, FATCA applies to dividends paid on our Subordinate Voting Shares and to gross proceeds from sales or other dispositions of our Subordinate Voting Shares. The U.S. Treasury Department has proposed regulations, on which taxpayers generally may rely until final Treasury Regulations are issued, and which eliminate FATCA federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our Subordinate Voting Shares. Amounts withheld under FATCA with respect to income that is also subject to the general U.S. federal withholding tax, as discussed above in “—Distributions on Our Subordinate Voting Shares,” will be applied against and reduce the amount of such other withholding tax. Prospective investors should consult their tax advisors regarding the possible implications of FATCA on their investment in our Subordinate Voting Shares.

PLAN OF DISTRIBUTION

The Subordinate Voting Shares beneficially owned by the Selling Shareholders covered by this prospectus may be offered and sold from time to time by the Selling Shareholders. The term “Selling Shareholders” includes donees, pledgees, transferees or other successors in interest selling shares received after the date of this prospectus from a Selling Shareholder as a gift, pledge, partnership distribution or other non-sale related transfer. The Selling Shareholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. Such sales may be made on one or more exchanges or in the over-the-counter market or otherwise, at prices and under terms then prevailing or at prices related to the then current market price or in negotiated transactions. The Selling Shareholders may sell or dispose of their shares by one or more of, or a combination of, the following methods:

- purchases by a broker-dealer as principal and resale by such broker-dealer for its own account pursuant to this prospectus;
- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- block trades in which the broker-dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- an exchange distribution in accordance with the rules of any stock exchange on which the securities are listed;

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- through trading plans entered into by a Selling Shareholder pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are in place at the time of an offering pursuant to this prospectus and any applicable prospectus supplement hereto that provide for periodic sales of their securities on the basis of parameters described in such trading plans;
- to or through underwriters;
- in “at the market” offerings, as defined in Rule 415 under the Securities Act, at negotiated prices, at prices prevailing at the time of sale or at prices related to such prevailing market prices, including sales made directly on a national securities exchange or sales made through a market maker other than on an exchange or other similar offerings through sales agents;
- in privately negotiated transactions;
- in short sales;
- through the distribution of the securities by any Selling Shareholder to its partners, members or shareholders;
- in options transactions; and
- through a combination of any of the above methods of sale and, in addition, any shares that qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus.

The Selling Shareholders will pay all brokerage fees and commissions and similar expenses. We will pay all expenses (except brokerage fees and commissions and similar expenses) relating to the registration of the Subordinate Voting Shares with the SEC.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution. In connection with distributions of the shares or otherwise, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions. In connection with such transactions, broker-dealers or other financial institutions may engage in short sales of Subordinate Voting Shares in the course of hedging the positions they assume with Selling Shareholders. The Selling Shareholders may also sell the Subordinate Voting Shares short and redeliver the shares to close out such short positions. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). The Selling Shareholders may also pledge shares to a broker-dealer or other financial institution, and, upon a default, such broker-dealer or other financial institution, may effect sales of the pledged shares pursuant to this prospectus (as supplemented or amended to reflect such transaction).

A Selling Shareholder may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by any Selling Shareholder or borrowed from any Selling Shareholder or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from any Selling Shareholder in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement (or a post-effective amendment). In addition, any Selling Shareholder may otherwise loan or pledge securities to a financial institution or other third party that in turn may sell the securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or in connection with a concurrent offering of other securities.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

In effecting sales, broker-dealers or agents engaged by the Selling Shareholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the Selling Shareholders in amounts to be negotiated immediately prior to the sale.

In offering the shares covered by this prospectus, the Selling Shareholders and any broker-dealers who execute sales for the Selling Shareholders may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. Any profits realized by the Selling Shareholders and the compensation of any broker-dealer may be deemed to be underwriting discounts and commissions.

In order to comply with the securities laws of certain states, if applicable, the shares must be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We will make copies of this prospectus available to the Selling Shareholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The Selling Shareholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

At the time a particular offer of shares is made, if required, a prospectus supplement will be distributed that will set forth the number of shares being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallocated or paid to any dealer, and the proposed selling price to the public.

LEGAL MATTERS

The validity of the securities being offered hereby as a matter of Canadian law will be passed upon for us by Stikeman Elliott LLP.

EXPERTS

The consolidated financial statements appearing in this prospectus and registration statement as of and for the years ended December 31, 2021 and 2020 have been audited by Marcum LLP, an independent registered public accounting firm, as stated in their report appearing elsewhere herein and are included in reliance upon such report and upon the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission (SEC) a registration statement on Form S-1 under the Securities Act with respect to the Subordinate Voting Shares sold in this offering. This prospectus, which constitutes part of the registration statement, does not include all of the information contained in the registration statement and the exhibits, schedules and amendments to the registration statement. Some items are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and our Subordinate Voting Shares, we refer you to the registration statement and to the exhibits and schedules to the registration statement filed as part of the registration statement. Statements contained in this prospectus about the contents of any contract or any other document filed as an exhibit are not necessarily complete, and, and in each instance, we refer you to the copy of the contract or other documents filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

The SEC maintains an internet website, which is located at www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement of which this prospectus is a part at the SEC's internet website. Information contained on or accessible through the SEC's website is not a part of this prospectus, and the inclusion of the SEC's website address in this prospectus is an inactive textual reference only.

Upon the date the registration statement of which this prospectus forms a part is declared effective, we will become subject to the informational and periodic reporting requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our shareholders with annual reports containing financial statements certified by an independent registered public accounting firm. We also maintain a website at www.jushico.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. We do not incorporate the information on our website into this prospectus or any supplement to this prospectus and you should not consider any information on, or that can be accessed through, our website as part of this prospectus or any supplement to this prospectus.

In addition, our periodic and current reports are available, free of charge, after the material is electronically filed with, or furnished to, the Canadian securities regulators on SEDAR at www.sedar.com.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

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JUSHI HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars, except share amounts)

	March 31, 2022 (unaudited)	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 75,717	\$ 94,962
Accounts receivable, net	1,460	3,200
Inventories	39,282	43,319
Prepaid expenses and other current assets	6,174	12,875
Total current assets	\$ 122,633	\$ 154,356
NON-CURRENT ASSETS:		
Property, plant and equipment, net	\$ 152,943	\$ 137,280
Right-of use assets - finance leases	94,087	94,008
Other intangible assets, net	189,931	182,466
Goodwill	61,392	52,920
Other non-current assets	29,133	27,586
Non-current restricted cash	525	525
Total non-current assets	\$ 528,011	\$ 494,785
Total assets	\$ 650,644	\$ 649,141
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 21,611	\$ 10,539
Accrued expenses and other current liabilities	32,773	47,972
Income tax liabilities - current	9,170	6,614
Debt, net - current portion (including related party principal amounts of \$3,669 as of March 31, 2022)	65,588	6,181
Finance lease obligations - current	13,197	12,620
Total current liabilities	\$ 142,339	\$ 83,926
NON-CURRENT LIABILITIES:		
Non-current debt, net (including related party principal amounts of \$4,578 as of December 31, 2021)	\$ 77,384	\$ 122,971
Finance lease obligations - non-current	88,539	88,297
Operating lease liabilities - non-current	14,933	15,163
Derivative liabilities	68,975	92,435
Income tax liabilities - non-current	58,372	57,143
Contingent consideration liabilities - non-current	6,945	8,223
Total non-current liabilities	\$ 315,148	\$ 384,232
Total liabilities	\$ 457,487	\$ 468,158
COMMITMENTS AND CONTINGENCIES (Note 20)		
EQUITY:		
Common stock (no par value; authorized shares - unlimited; issued shares - 189,728,625 and 182,707,359 Subordinate Voting Shares (including 2,757,290 and 2,859,151 unvested stock awards) as of March 31, 2022 and December 31, 2021, respectively)	\$ —	\$ —
Paid-in capital	456,719	424,788
Accumulated deficit	(262,175)	(242,418)
Total Jushi shareholders' equity	\$ 194,544	\$ 182,370
Non-controlling interests	(1,387)	(1,387)
Total equity	\$ 193,157	\$ 180,983
Total liabilities and equity	\$ 650,644	\$ 649,141

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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JUSHI HOLDINGS INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS)
(in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended March 31,	
	2022	2021
REVENUE, NET	\$ 61,888	\$ 41,675

COST OF GOODS SOLD	(42,776)	(22,934)
GROSS PROFIT	<u>\$ 19,112</u>	<u>\$ 18,741</u>
OPERATING EXPENSES	\$ 37,308	\$ 21,911
LOSS FROM OPERATIONS	<u>\$ (18,196)</u>	<u>\$ (3,170)</u>
OTHER (EXPENSE) INCOME:		
Interest expense, net	\$ (10,116)	\$ (6,835)
Fair value gains (losses) on derivatives	14,309	(9,358)
Other, net	(703)	(3,376)
Total net other income (expense)	<u>\$ 3,490</u>	<u>\$ (19,569)</u>
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	<u>\$ (14,706)</u>	<u>\$ (22,739)</u>
Provision for income taxes	(5,051)	(8,312)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	<u>\$ (19,757)</u>	<u>\$ (31,051)</u>
Net loss attributable to non-controlling interests	—	(175)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO JUSHI SHAREHOLDERS	<u>\$ (19,757)</u>	<u>\$ (30,876)</u>
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - BASIC	\$ (0.11)	\$ (0.20)
Weighted average shares outstanding - basic	183,226,027	157,176,375
NET (LOSS) AND COMPREHENSIVE (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - DILUTED	<u>\$ (0.16)</u>	<u>\$ (0.20)</u>
Weighted average shares outstanding - diluted	<u>207,838,906</u>	<u>157,176,375</u>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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JUSHI HOLDINGS INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of U.S. dollars, except share amounts)

	Number of Shares			Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity	Non-Controlling Interests	Total Equity
	Super Voting Shares	Multiple Voting Shares	Subordinate Voting Shares					
Balances - January 1, 2022	—	—	182,707,359	\$ 424,788	\$ (242,418)	\$ 182,370	\$ (1,387)	\$ 180,983
Private placement offerings	—	—	3,717,392	13,680	—	13,680	—	13,680
Shares issued for Apothecarium acquisition	—	—	527,704	1,594	—	1,594	—	1,594
Restricted stock grants and vesting, net of forfeitures (including related parties)	—	—	5,952	832	—	832	—	832
Warrant expense, net of cancellations (including related parties)	—	—	—	287	—	287	—	287
Stock option expense, net of forfeitures (including related parties)	—	—	—	5,845	—	5,845	—	5,845
Shares issued upon exercise of warrants	—	—	2,676,303	9,693	—	9,693	—	9,693
Shares issued upon exercise of stock options	—	—	93,915	—	—	—	—	—
Net loss	—	—	—	—	(19,757)	(19,757)	—	(19,757)
Balances - March 31, 2022	<u>—</u>	<u>—</u>	<u>189,728,625</u>	<u>\$ 456,719</u>	<u>\$ (262,175)</u>	<u>\$ 194,544</u>	<u>\$ (1,387)</u>	<u>\$ 193,157</u>
	Number of Shares			Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity	Non-Controlling Interests	Total Equity
	Super Voting Shares	Multiple Voting Shares	Subordinate Voting Shares					
Balances - January 1, 2021	149,000	4,000,000	132,396,064	\$ 262,145	\$ (262,669)	\$ (524)	\$ 2,947	\$ 2,423
Public offerings	—	—	13,685,000	85,660	—	85,660	—	85,660
Purchase of non-controlling interests	—	—	500,000	1,562	—	1,562	(1,562)	—
Shares issued for Grover Beach acquisition	—	—	49,348	368	—	368	—	368
Restricted stock grants and vesting, net of forfeitures (including related parties)	—	—	—	2,538	—	2,538	—	2,538
Warrant expense, net of cancellations (including related parties)	—	—	—	547	—	547	—	547
Stock option expense, net of forfeitures (including related parties)	—	—	—	928	—	928	—	928
Shares issued upon exercise of warrants	—	—	3,898,180	13,135	—	13,135	—	13,135
Shares issued upon exercise of stock options	—	—	15,000	30	—	30	—	30
Net loss	—	—	—	—	(30,876)	(30,876)	(175)	(31,051)
Balances - March 31, 2021	<u>149,000</u>	<u>4,000,000</u>	<u>150,543,592</u>	<u>\$ 366,913</u>	<u>\$ (293,545)</u>	<u>\$ 73,368</u>	<u>\$ 1,210</u>	<u>\$ 74,578</u>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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JUSHI HOLDINGS INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

Three Months Ended
March 31,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (19,757)	\$ (31,051)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization, including amounts in cost of goods sold	3,248	1,579
Share-based compensation	6,964	4,013
Fair value changes in derivatives	(14,309)	9,358
Non-cash interest expense	4,551	3,905
Deferred income taxes	(1,125)	(280)
Loss on debt modification/extinguishment/redemption	—	3,815
(Gains) losses on investments and financial assets	—	(1,149)
Non-cash other (income) expense, net	438	(110)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	1,770	(16)
Prepaid expenses and other current assets	6,718	512
Inventory	5,917	(5,680)
Accounts payable, accrued expenses and other current liabilities	1,746	12,095
Other assets	1,173	(112)
Net cash flows used in operating activities	\$ (2,666)	\$ (3,121)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for acquisitions, net of cash acquired	\$ (6,592)	\$ (3,592)
Payments for property, plant and equipment	(26,476)	(8,566)
Proceeds from investments and financial assets	—	3,252
Net cash flows used in investing activities	\$ (33,068)	\$ (8,906)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares for cash, net	\$ 13,680	\$ 85,660
Proceeds from exercise of warrants and options	541	9,886
Redemptions of senior notes (including related party redemptions of \$8 and \$3,072 for three months ended March 31, 2022 and 2021, respectively)	(258)	(8,134)
Payments on lease obligations	(601)	(251)
Proceeds from other debt	3,265	1,134
Repayments of other debt	(130)	—
Net cash flows provided by financing activities	\$ 16,497	\$ 88,295
Effect of currency translation on cash and cash equivalents	(9)	(40)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ (19,246)	\$ 76,228
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	95,487	85,857
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 76,241	\$ 162,085

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	Three Months Ended March 31,	
	2022	2021
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest (excluding capitalized interest)	\$ 5,580	\$ 3,027
Cash paid for income taxes	\$ 3,867	\$ 686
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditures	\$ 7,566	\$ 3,531
Right of use assets from finance lease liabilities (excluding from acquisitions)	\$ —	\$ 928
Fair value of note obligations and warrant liabilities from acquisitions and acquisitions of non-controlling interests	\$ 6,922	\$ —
	\$ 1,594	\$ 1,930
Fair value of shares issued for acquisitions and acquisitions of non-controlling interests		
Assets acquired and liabilities assumed in acquisitions:		
Cash and cash equivalents	\$ 25	\$ —
Other current assets	\$ 731	\$ —
Property, plant and equipment, including right-of-use assets	\$ 3,051	\$ 2,319
Other non current assets	\$ 301	\$ 19
Other intangible assets	\$ 8,200	\$ 3,654
Goodwill	\$ 8,472	\$ —
Accounts payable and accrued liabilities	\$ (502)	\$ —
Lease obligations	\$ (2,544)	\$ (2,032)
Deferred tax liabilities	\$ (2,601)	\$ —

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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Jushi Holdings Inc. (the “Company” or “Jushi”) is incorporated under the British Columbia’s Business Corporations Act (“BCBCA”). The Company is a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. As of March 31, 2022, Jushi, through its subsidiaries, owns or manages cannabis operations and/or holds licenses in the adult-use and/or medicinal cannabis marketplace in Illinois, Pennsylvania, Virginia, Massachusetts, Nevada, California and Ohio.

The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades its subordinated voting shares (“SVS”) under the ticker symbol “JUSH”, and trades on the U.S. Over the Counter Stock Market (“OTCQX”) under the symbol JUSHF.

The Company’s head office is located at 301 Yamato Road, Suite 3250, Boca Raton, Florida 33431, U.S.A., and its registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8, Canada.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying unaudited interim condensed consolidated financial statements present the consolidated financial position and operations of Jushi Holdings Inc. and its subsidiaries and entities over which the Company has control, in accordance with generally accepted accounting principles in the U.S. (“GAAP”) for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates.

In the opinion of management, the unaudited condensed interim consolidated financial statements include all adjustments, of a normal recurring nature, that are necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods, and at the dates, presented. The results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

These financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2021 included elsewhere in this filing. Consolidated balance sheet information as of December 31, 2021 presented herein are derived from the Company’s audited consolidated financial statements for the year ended December 31, 2021.

These unaudited condensed interim consolidated financial statements have been prepared assuming the Company will continue as a going concern. US GAAP requires an entity to look forward 12 months from the date the financial statements are available to be issued, (the “look-forward” period) when assessing whether the going concern assumption can be used. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

As reflected in these financial statements, the Company has incurred losses from operations for the three months ended March 31, 2022 and has an accumulated deficit of \$262,175 as of March 31, 2022. As discussed in Note 9 - Debt, the Company’s 10% senior notes (the “Senior Notes”), which as of March 31, 2022 had an aggregate principal amount outstanding of \$74,935, mature on January 15, 2023, and its Acquisition Facility (refer to Note 9 - Debt) required the Company to maintain certain covenants which the Company may not have been in compliance with if the court accepted Jushi Europe’s petition for bankruptcy and was projected to violate certain financial covenants further within the next twelve months. This condition raised a substantial doubt about the Company’s ability to continue as a going concern.

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JUSHI HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



Management believes that this substantial doubt has been alleviated due to: (i) an amendment entered into with the lender in April 2022, which included a waiver related to Jushi Europe’s bankruptcy and a change to the terms of the Total Leverage ratio, as defined in the Acquisition Facility agreement, and deferred the commencement date of leverage testing under the Acquisition Facility; (ii) available cash and cash equivalents on hand, which were \$75,717 as of March 31, 2022; (iii) ongoing efforts with certain lenders to refinance the Senior Notes; (iv) expected continued growth of sales, gross profit and cash flows from operations; and (v) the ability to defer certain capital projects and reallocate funds for debt repayment, if the need arose. The Company also has access to alternative sources of debt and equity financing, including secured borrowings and through a base shelf prospectus, which allows the Company to offer up to C\$500,000 in securities in Canada through the end of 2023.

Management’s evaluation of the Company’s liquidity position involved significant judgment. The most significant judgments involved: (i) a probability assessment of the successful refinancing of the Senior Notes; and (ii) the underlying estimates and assumptions for projected sales, gross profits and cash flow. Management believes its plans are achievable. However, there can be no assurance that the Company will be able to refinance the Senior Notes, generate positive results from operations, or obtain additional liquidity when needed or under acceptable terms, if at all.

Segments

The Company operates a vertically integrated cannabis business in one reportable segment: the cultivation, manufacturing, distribution and sale of cannabis in the U.S. All revenues for the three months ended March 31, 2022 and 2021 were generated within the U.S., and substantially all long-lived assets are located within the U.S.

COVID-19

During the three-months ended March 31, 2022, the Company’s financial condition and results of operations was not materially impacted by COVID-19. The extent to which the COVID-19 pandemic impacts the Company’s future results will depend on future developments, which are highly uncertain and cannot be predicted with certainty, including possible future outbreaks of new strains of the virus and governmental and consumer responses to such future developments.

Emerging Growth Company

As an emerging growth company (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act until such time the Company is no longer considered to be an EGC. The adoption dates discussed below reflect this election.

Recent Accounting Pronouncements

In June 2020, the FASB issued ASU 2020-06 *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. This ASU also removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and simplifies the diluted earnings per share calculation in certain areas. The amendments in this ASU are effective for annual and interim periods beginning

after December 15, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

JUSHI HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



In May 2021, the FASB issued ASU 2021-04, “Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options”—The FASB issued guidance to clarify and reduce diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2021. The adoption of the standard did not have a material impact on the Company’s consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The FASB issued guidance which require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. To achieve this, an acquirer may assess how the acquiree applied Topic 606 to determine what to record for the acquired revenue contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree’s financial statements (if the acquiree prepared financial statements in accordance with generally accepted accounting principles). The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The FASB issued guidance clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

3. REVENUE

The Company has three revenue streams: (i) cannabis retail (ii) cannabis wholesale; and (iii) other. The retail revenues are comprised of cannabis operations for medical and adult-use dispensaries. The Company’s wholesale revenues are comprised of cannabis cultivation, processing, production and distribution of cannabis for medical and adult-use. The Company’s other operations primarily include the Company’s hemp/cannabidiol (“CBD”) retail operations. Any intercompany revenue and any costs between entities are eliminated to arrive at consolidated totals.

The following table summarizes revenue disaggregated by revenue stream:

	Three Months Ended March 31,					
	2022			2021		
	Gross Revenue	Intercompany Revenue	Revenue to External Customers	Gross Revenue	Intercompany Revenue	Revenue to External Customers
Retail cannabis	\$ 57,955	\$ —	\$ 57,955	\$ 39,277	\$ —	\$ 39,277
Wholesale cannabis	9,443	(5,595)	3,848	4,192	(1,883)	2,309
Other	85	—	85	89	—	89
Eliminations	(5,595)	5,595	—	(1,883)	1,883	—
Consolidated revenue	\$ 61,888	\$ —	\$ 61,888	\$ 41,675	\$ —	\$ 41,675

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4. INVENTORIES

The components of inventories, net, are as follows:

	March 31, 2022 (unaudited)	December 31, 2021
Cannabis plants	\$ 3,101	\$ 6,347
Harvested cannabis and packaging	9,180	5,180
Total raw materials	\$ 12,281	\$ 11,527
Work in process	6,136	8,756
Finished goods	20,865	23,036
Total inventories, net	\$ 39,282	\$ 43,319

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The components of prepaid expenses and other current assets are as follows:

	March 31, 2022 (unaudited)	December 31, 2021
Prepaid expenses and deposits	\$ 3,844	\$ 3,837
Landlord receivables for leasehold improvements	394	7,357
Employee receivable	46	248
Other current assets	1,890	1,433
Total prepaid expenses and other current assets	<u>\$ 6,174</u>	<u>\$ 12,875</u>

6. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment (PP&E) are as follows:

	March 31, 2022 (unaudited)	December 31, 2021
Buildings and building components	\$ 51,020	\$ 49,697
Land	12,380	12,380
Leasehold improvements	23,323	24,042
Machinery and equipment	12,743	12,656
Computer equipment	2,281	2,221
Furniture and fixtures	8,518	8,000
Construction-in-process	52,521	35,625
Total property, plant and equipment - gross	<u>\$ 162,786</u>	<u>\$ 144,621</u>
Less: Accumulated depreciation	<u>(9,843)</u>	<u>(7,341)</u>
Total property, plant and equipment - net	<u>\$ 152,943</u>	<u>\$ 137,280</u>

Construction-in-process ("CIP") represents assets under construction for manufacturing and retail build-outs not yet ready for use.

For the three months ended March 31, 2022 and 2021, total depreciation, including depreciation from assets held under finance leases (which are reflected separately in the consolidated balance sheets), was \$3,693 and \$1,169, respectively, of which \$2,168 and \$604, respectively, was absorbed into inventory production. Interest expense capitalized to PP&E totaled \$744 and \$85 for the three months ended March 31, 2022 and 2021, respectively.

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7. ACQUISITIONS

2022 Business Combination

In March 2022, the Company closed on the acquisition of 100% of the equity interest of an entity operating an adult-use and medical retail dispensary under the name, The Apothecarium in Las Vegas, Nevada ("Apothecarium"). The Apothecarium acquisition, together with the prior acquisition of Franklin Bioscience NV, LLC, a holder of medical and adult-use cannabis cultivation, processing, and distribution licenses, enables the Company to become vertically integrated in Nevada, as well as provide significant branding exposure for Jushi's high-quality product lines.

The following table summarizes the preliminary purchase price allocation for Apothecarium as of the acquisition date:

Cash and cash equivalents	\$ 25
Prepays and other assets	32
Inventory	699
Property, plant and equipment	498
Right-of-use assets	2,553
Intangible asset - licenses ⁽¹⁾	8,200
Deposits	301
Total assets	<u>\$ 12,308</u>
Accounts payable and accrued liabilities	\$ (502)
Lease liabilities	(2,544)
Deferred tax liabilities	(2,601)
Total liabilities	<u>\$ (5,647)</u>
Net assets acquired	\$ 6,661
Goodwill	8,472
Total	<u>\$ 15,133</u>
Consideration paid in cash, as adjusted for working capital adjustments	\$ 6,617
Consideration paid in promissory notes (fair value) ⁽²⁾	6,922
Consideration paid in shares ⁽³⁾	1,594
Fair value of consideration	<u>\$ 15,133</u>

(1) The licenses acquired have indefinite useful lives.

(2) The Company issued a \$9,853 promissory note. Refer to "Acquisition-Related Promissory Notes" in Note 9 - Debt for details on the seller notes.

(3) The Company issued 527,704 Subordinate Voting Shares ("SVS") with a grant date fair value of \$3.02 each.

In addition, the Company may pay up to \$2,000 in potential earn-out consideration based on the achievement of certain financial metrics. As of the date of acquisition, the Company has not recognized a contingent consideration liability for this acquisition as the probability is unlikely. The estimated range of such potential additional consideration is between \$0 and \$2,000.

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The estimated fair value of the licenses was determined using the multi-period excess earnings method under the income approach based on projections extended to 2036 assuming a 5.3% revenue growth rate in 2023 and a 3% long-term revenue growth rate thereafter. The goodwill recognized from the acquisition is attributable to synergies expected from integrating Apothecarium into the Company's existing business. The goodwill acquired is not deductible for tax purposes.

Preliminary Purchase Price Allocations for Business Combinations

The consideration has been allocated to the estimated fair values of the assets acquired and liabilities assumed at the dates of the acquisitions and remain preliminary as of March 31, 2022. These estimated fair values involve significant judgement and estimates. The primary area of judgement involves the valuation of the retail licenses acquired, which requires management to estimate value based on future cash flows from these assets. The primary areas of the preliminary purchase price allocations that are not yet finalized relate to: licenses acquired, inventories, leases, contingent consideration, promissory notes, deferred tax liabilities, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired at the acquisition date during the measurement period.

Business Combinations - Acquisition and Deal Costs

For the three months ended March 31, 2022, acquisition and deal costs relating to Apothecarium totaled \$34 and are included within operating expenses in the consolidated statements of operations and comprehensive loss. The remaining acquisition and deal costs included in operating expenses were incurred either for acquisitions not completed or not expected to be completed.

2021 Business Combinations and Asset Acquisitions

The Company had the following acquisitions during the year ended December 31, 2021: (i) Nature's Remedy; (ii) OSD; (iii) OhiGrow; and (iv) Grover Beach (all defined below).

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The following table summarizes the purchase price allocations as of their respective acquisition dates:

	Business Combinations		Asset Acquisitions		Total
	Nature's Remedy	OSD	OhiGrow	Grover Beach	
Assets Acquired:					
Cash and cash equivalents	\$ 3,195	\$ 259	\$ —	\$ —	\$ 3,454
Prepays	325	53	—	—	378
Accounts receivable, net	263	—	—	—	263
Inventory	15,882	184	—	—	16,066
Indemnification assets ⁽¹⁾	1,322	1,411	—	—	2,733
Property, plant and equipment	19,470	—	3,165	269	22,904
Right-of-use assets - finance leases	27,305	—	—	2,050	29,355
Right-of-use assets - operating leases	1,337	1,859	—	—	3,196
Intangible assets - license ⁽²⁾	46,000	2,160	1,817	3,654	53,631
Intangible assets - tradenames ⁽²⁾	4,400	—	—	—	4,400
Intangible assets - customer database ⁽²⁾	2,100	—	—	—	2,100
Deposits	20	6	—	19	45
Total assets acquired	\$ 121,619	\$ 5,932	\$ 4,982	\$ 5,992	\$ 138,525
Liabilities Assumed:					
Accounts payable and accrued liabilities	\$ 7,004	\$ 1,601	\$ —	\$ —	\$ 8,605
Finance lease obligations	27,052	—	—	2,032	\$ 29,084
Operating lease obligations	1,267	1,859	—	—	\$ 3,126
Deferred tax liabilities	19,876	648	—	—	\$ 20,524
Total liabilities	\$ 55,199	\$ 4,108	\$ —	\$ 2,032	\$ 61,339
Net assets acquired	\$ 66,420	\$ 1,824	\$ 4,982	\$ 3,960	\$ 77,186
Goodwill	33,178	2,432	—	—	35,610
Total	\$ 99,598	\$ 4,256	\$ 4,982	\$ 3,960	\$ 112,796
Consideration:					
Consideration paid in cash, as adjusted for working capital adjustments	\$ 40,360	\$ 1,827	\$ 4,949	\$ 3,592	\$ 50,728
Consideration paid in promissory notes (fair value)	15,345	2,429	—	—	\$ 17,774
Consideration paid in shares	35,670	—	—	368	\$ 36,038

Contingent consideration	8,223	—	—	\$ —	\$ 8,223
Capitalized costs	—	—	33	\$ —	\$ 33
Fair value of consideration	\$ 99,598	\$ 4,256	\$ 4,982	\$ 3,960	\$ 112,796

- (1) As part of the OSD and Nature's Remedy acquisition agreements, the sellers contractually agreed to indemnify the Company for certain amounts that may become payable, including for taxes that relate to periods prior to the date of acquisition. Accordingly, the Company recorded indemnification assets and corresponding estimated accrued tax liabilities, at fair value, for a total of \$2,733 as of the dates of the acquisitions. The range of total estimated potential indemnification assets is from \$0 to \$6,322; however, there is no limit on the Nature's Remedy indemnification asset. Additional subsequent changes in the amounts recognized for the indemnification assets may occur in relation to the provision for the corresponding tax liabilities, according to changes in the range of outcomes or the assumptions used to develop the estimates of the liabilities at the time of the acquisition.
- (2) The licenses acquired have indefinite useful lives. The customer relationships have a useful life of 15 years and the tradenames have a useful life of 5 years.

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2021 Business Combinations

Nature's Remedy

On September 10, 2021, the Company acquired 100% of the equity of Nature's Remedy of Massachusetts, Inc. and certain of its affiliates (collectively, "Nature's Remedy"), for upfront consideration comprised of cash, net of working capital adjustments, 8,700,000 subordinate voting shares (with a grant date fair value of \$4.10 each), an \$11,500 unsecured three-year note and a \$5,000 unsecured five-year note.

Nature's Remedy is a vertically integrated single state operator in Massachusetts and currently operates two retail dispensaries, in Millbury, MA and Tyngsborough, MA, and a 50,000 sq. ft. cultivation and production facility in Lakeville, MA. The goodwill is not tax deductible.

The Company also agreed to issue a \$5,000 increase to the principal balance of the three-year note and up to an additional \$5,000 in Company SVS upon the occurrence or non-occurrence of certain events after the closing date. The payment of the contingent consideration depends on whether or not a competitor opens a competing dispensary within a certain radius of the Company's dispensary in the Town of Tyngsborough, MA during the first 12 months following the acquisition (The "First Milestone Period") or during the 18 months following the end of the First Milestone Period. As of the date of acquisition, the Company recognized a contingent consideration liability of \$8,223, a Level 3 measurement amount, which was based on the weighted-average probability of the potential outcomes. The estimated range of such additional consideration is between \$0 and \$10,800 (which also includes the interest on the additional principal for the three-year note). Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred for the business combination. Contingent consideration that is classified as a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in Other, net in the consolidated statements of operations and comprehensive income (loss).

During the three months ended March 31, 2022, the Company remeasured the contingent consideration and recognized a loss of \$405 primarily related to accretion. The remeasurement increased the total contingent consideration liability from \$8,223 on December 31, 2021, to \$8,628 on March 31, 2022. The Company utilized the cash flows associated with the weighted-average probability of the potential outcomes to determine the potential cash outflows that are short-term vs. long-term. As a result, the Company classified \$1,683 as a short-term contingent liability and \$6,945 as a long-term contingent liability as of March 31, 2022.

OSD

On April 30, 2021, the Company acquired 100% of the equity of Organic Solutions of the Desert, LLC ("OSD"), an operating dispensary located in Palm Springs, California, for consideration comprised of cash, as adjusted for working capital adjustments, and \$3,100 principal amount of promissory notes. Refer to "Promissory Notes Payable" in Note 9 - Debt for details on the seller notes. The goodwill is not tax deductible.

Preliminary Purchase Price Allocations for Business Combinations

The consideration for Nature's Remedy has been allocated to the estimated fair values of the assets acquired and liabilities assumed at the dates of the acquisitions and remain preliminary as of March 31, 2022. These estimated fair values involve significant judgement and estimates. The primary areas of judgement involved are the valuation of the intangible assets acquired, which requires management to estimate value based on future cash flows from these assets. The primary areas of the preliminary purchase price allocations that are not yet finalized relate to: intangible assets acquired, property, plant and equipment, indemnification assets, contingent consideration, deferred tax liabilities, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired as of the respective acquisition dates during the measurement period.

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2021 Asset Acquisitions

The Company determined that the OhiGrow and Grover Beach acquisitions described below did not qualify as business combinations because, for OhiGrow, the assets acquired did not constitute a business, and for Grover Beach, under the concentration test, substantially all of the fair value of the acquisition is concentrated in a single identifiable asset – the license.

OhiGrow

In July 2021, the Company acquired OhiGrow, LLC, a licensed cultivator in Ohio, and Ohio Green Grow LLC (collectively, "OhiGrow"), inclusive of an approximately 10,000

sq. ft. facility and 1.35 acres of land for \$4,949 in cash.

Grover Beach

On March 4, 2021, the Company closed on the acquisition of approximately 78% of the equity of a retail license holder located in Grover Beach, California (“Grover Beach”) for \$3,592 in cash, as adjusted for working capital adjustments, and 49,348 SVS at a fair value of \$7.46 per share, with the rights to acquire the remaining equity for \$1 in the future.

Business Combinations Acquisition Results and Unaudited Supplemental Pro Forma Financial Information

The following table summarizes consolidated proforma revenue and consolidated proforma net income (loss) as if the business combinations had occurred at the beginning of the year prior to their actual acquisition for the periods presented:

	Three months ended March 31,	
	2022	2021
Revenue	\$ 64,903	\$ 55,962
Net income (loss)	\$ (19,560)	\$ (31,463)

These unaudited pro forma financial results do not purport to be indicative of the actual results that would have been achieved by the combined companies for the years indicated, or of the results that may be achieved by the combined companies in the future. These amounts have been calculated using actual results and adding pre-acquisition results, after adjusting for: acquisition costs, additional depreciation and amortization from acquired property, plant and equipment and intangible assets, as well as adjustments for incremental interest expense relating to consideration paid, and changes to conform to the Company’s accounting policies.

For the three months ended March 31, 2022, Apothecarium contributed revenues of \$556 and net income of \$55 to the Company’s consolidated results.

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8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The components of accrued expenses and other current liabilities are as follows:

	March 31, 2022 (unaudited)	December 31, 2021
Accrued capital expenditures	\$ 7,566	\$ 17,599
Goods received not invoiced	6,501	8,007
Accrued employee related expenses and liabilities	5,838	6,062
Accrued professional and management fees	2,007	5,139
Accrued sales and excise taxes	1,189	2,535
Accrued interest	1,470	1,181
Deferred revenue (loyalty program)	1,693	1,427
Operating lease obligations – current portion	2,705	2,745
Contingent consideration liabilities – current portion ⁽¹⁾	1,683	—
Other accrued expenses and current liabilities	2,121	3,277
Total	\$ 32,773	\$ 47,972

(1) Refer to Note 7 - Acquisitions.

9. DEBT

The components of the Company’s debt are as follows:

	Effective Interest Rate	Maturity Date	March 31, 2022 (unaudited)	December 31, 2021
Principal amounts:				
Senior Notes	34%	January 2023	\$ 74,935	\$ 75,193
Acquisition Facility	14%	October 2026	40,000	40,000
Acquisition-related promissory notes payable	9% - 25%	November 2022 - April, 2027	35,614	25,767
Other debt ⁽¹⁾	6% - 12%	March 2022 - July 2050	14,965	11,728
Total debt - principal amounts			\$ 165,514	\$ 152,688
Less: debt issuance costs and original issue discounts			(22,542)	(23,536)
Total debt - carrying amounts			\$ 142,972	\$ 129,152
Debt - current portion			\$ 65,588	\$ 6,181
Debt - non-current portion			\$ 77,384	\$ 122,971

(1) Includes Jushi Europe debt. Refer to Note 15 - Non-Controlling Interests.

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As of March 31, 2022, aggregate future contractual maturities of the Company's debt are as follows:

	Remainder of the year	2023	2024	2025	2026	Thereafter	Total
Senior Notes	\$ —	\$ 74,935	\$ —	\$ —	\$ —	\$ —	\$ 74,935
Acquisition Facility	—	—	4,000	4,000	32,000	—	40,000
Acquisition-related promissory notes payable ⁽¹⁾	2,412	3,941	17,385	1,970	6,806	3,100	35,614
Other debt	3,718	149	139	109	4,579	6,271	14,965
Total	\$ 6,130	\$ 79,025	\$ 21,524	\$ 6,079	\$ 43,385	\$ 9,371	\$ 165,514

(1) The Promissory Note that matures in 2022 is a mandatorily convertible note that will be settled in 910,000 shares.

Interest expense, net is comprised of the following:

	Three Months Ended March 31,	
	2022	2021
Interest and accretion - Senior Notes	5,398	5,204
Interest - Finance lease liabilities	2,901	1,389
Interest and accretion - Promissory notes	737	311
Interest and accretion - Acquisition Facility	1,360	—
Interest and accretion - Other debt	479	113
Capitalized interest	(744)	(85)
Total interest expense	10,131	6,932
Interest income	\$ (15)	\$ (97)
Total interest expense, net	10,116	6,835

Other Debt - PAMS Sale-leaseback Transactions

During 2021, the Company acquired land and buildings that are adjacent to the Company's Pennsylvania Medical Solutions, LLC ("PAMS") cultivation facility in order to expand the facility. In February 2022, the Company then entered into a sale-leaseback agreement. The Company concluded that control, including the significant risks and rewards of ownership, did not transfer to the buyer-lessor at the inception of the sale-leaseback transaction. As a result, the transaction did not meet the accounting criteria for a successful sale-leaseback transaction and therefore represents a financing obligation with a maturity date of April 2048. The Company recognized a liability of \$3,265 and will accrue interest using an incremental borrowing rate of 11.6%. Annual payments are \$88 and subject to certain escalation.

Unsecured Promissory Notes – Apothecarium

In March 2022, in connection with the Apothecarium acquisition, the Company issued to the seller two unsecured promissory notes with a total principal amount of \$9,853, with no stated interest and both maturing on March 16, 2027. The promissory notes provide for a principal payment of \$3,448 on the 21st month anniversary, followed by 39 equal monthly payments for the remaining balance.

Amendments to the Acquisition Facility

In April 2022, the Company entered into an amendment to the Acquisition Facility pursuant to which: (i) the commencement of leverage testing was pushed back by four quarters (now beginning March 31, 2023 as reflected in the table below), (ii) certain leverage ratios were revised; and (iii) the Company may proceed with a reorganization pursuant to a petition for bankruptcy in Switzerland with respect to Jushi Europe without defaulting under the Acquisition Facility. Refer to Note 15 - Non-Controlling Interests for additional information on Jushi Europe.

Total Leverage Ratio, calculated as the ratio of Total Funded Indebtedness to EBITDA (all such terms are defined in the Acquisition Facility agreement) not to exceed the correlative ratio below:

Applicable Ratio	Fiscal Quarter Ending
6.00 to 1.00	March 31, 2023
5.00 to 1.00	June 30, 2023
4.00 to 1.00	September 30 and December 31, 2023
3.50 to 1.00	March 31, 2024 and all fiscal quarters ending thereafter



10. LEASE OBLIGATIONS

The Company leases certain business facilities for corporate, retail and cultivation operations from third parties under lease agreements that specify minimum rentals. In addition, the Company leases certain equipment for use in cultivation and extraction activities. The Company determines whether a contract is or contains a lease at the inception of the contract. The expiry dates of the leases, including reasonably certain estimated renewal periods, are between 2022 and 2050. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table provides the components of lease cost recognized in the consolidated statements of operations and comprehensive income (loss) for the periods presented:

Three Months Ended March 31,

	2022	2021
Operating lease cost	\$ 886	\$ 457
Finance lease cost:		
Amortization of lease assets	1,143	366
Interest on lease liabilities	2,901	1,389
Total finance lease cost	\$ 4,044	\$ 1,755
Variable lease cost	93	75
Total lease cost	\$ 5,023	\$ 2,287

Other information related to operating and finance leases as of the balance sheet dates presented are as follows:

	March 31, 2022 (unaudited)		December 31, 2021	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Weighted average discount rate	11.73%	11.50%	11.75%	11.50%
Weighted average remaining lease term (in years)	22.2	14.4	22.6	14.6

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The maturities of the contractual undiscounted lease liabilities as of March 31, 2022 are as follows:

	Finance Leases	Operating Leases
Remainder of the year	\$ 11,711	\$ 2,150
2023	11,031	2,974
2024	11,153	2,709
2025	11,773	2,522
2026	11,436	2,292
Thereafter	251,898	27,866
	309,002	40,513
Interest on lease liabilities	(207,266)	(22,875)
Total present value of minimum lease payments	\$ 101,736	\$ 17,638
Lease liabilities – current portion	\$ 13,197	\$ 2,705
Lease liabilities – non-current	\$ 88,539	\$ 14,933

11. DERIVATIVE LIABILITIES

The continuities of the Company's derivative liabilities are as follows:

	Total Derivative Liabilities ⁽¹⁾⁽³⁾
Carrying amounts as of January 1, 2022	\$ 92,435
Fair value changes ⁽²⁾	(14,309)
Derivative Warrants exercises	(9,151)
Carrying amounts as of March 31, 2022	\$ 68,975

(1) Refer to Note 12 - Equity for the continuity of the number of these warrants outstanding.

(2) Included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

(3) Includes mandatory prepayment option on the Senior Notes, which had a fair value of \$174 as of March 31, 2022.

The Company's derivative liabilities are primarily comprised of derivative warrants. These are warrants to purchase SVS of the Company which were issued in connection with the Senior Notes (the "Derivative Warrants") have an expiration date of December 23, 2024 and an exercise price of US\$1.25. There were 36,674,355 and 40,124,355 Derivative Warrants outstanding as of March 31, 2022 and December 31, 2021, respectively. The Derivative Warrants may be net share settled.

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These warrants are considered derivative financial liabilities measured at fair value with all gains or losses recognized in profit or loss as the settlement amount for the warrants may be adjusted during certain periods for variables that are not inputs to standard pricing models for forward or option equity contracts, i.e., the "fixed for fixed" criteria under ASC 815-40. The estimated fair value of the Derivative Warrants is measured at each reporting period and an adjustment is reflected in fair value changes in derivatives in the consolidated statements of operations and comprehensive income (loss). These are Level 3 recurring fair value measurements. The estimated fair value of the Derivative Warrants as of March 31, 2022 and December 31, 2021 was determined using the Black-Scholes model and Monte Carlo simulation model. The assumptions used in the fair value calculations as of the balance sheet dates presented include the following:

	March 31, 2022 (unaudited)	December 31, 2021
Stock price	\$2.85	\$3.25
Risk-free annual interest rate	2.40%	0.97%
Range of estimated possible exercise price	\$1.25	\$0.04 - \$1.25
Volatility	67%	73%
Remaining life (years)	2.7 years	3 years
Forfeiture rate	0%	0%
Expected annual dividend yield	0%	0%

Volatility was estimated by using a weighting of the Company's volatility and the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies. The risk-free interest rate for the expected life of the Warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term. The expected life is based on the contractual term. If any of the assumptions used in the calculation were to increase or decrease, this could result in a material or significant increase or decrease in the estimated fair value of the derivative liability. For example, the following table illustrates an increase or decrease in certain significant assumptions as of the balance sheet dates:

	As of March 31, 2022 (unaudited)			As of December 31, 2021		
	Input	Effect of 10% Increase	Effect of 10% Decrease	Input	Effect of 10% Increase	Effect of 10% Decrease
Stock price	\$ 2.85	\$ 9,433	\$ (9,284)	\$ 3.25	\$ 12,781	\$ (10,834)
Volatility	67%	\$ 1,818	\$ (1,755)	73%	\$ 4,473	\$ (3,210)

12. EQUITY

Authorized, Issued and Outstanding

The authorized share capital of the Company consists of common shares with an unlimited number of Subordinate Voting Shares ("SVS"), an unlimited number of Multiple Voting Shares ("MVS"), and an unlimited number of Super Voting Shares ("SV"). As of March 31, 2022, the Company had 189,728,625 SVS issued and outstanding and no MVS or SV outstanding. On August 9, 2021, all of the 149,000 previously issued and outstanding SV and all of the 4,000,000 previously outstanding MVS were converted into SVS in accordance with their terms as described in Jushi Holdings Inc.'s Articles of Incorporation. All previously outstanding warrants to acquire SV and MVS were also converted into warrants to acquire SVS, without any other amendment to the terms of such warrants.

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Private Placements

In January 2022, the Company closed non-brokered private placement offerings for an aggregate 3,717,392 SVS at a price of \$3.68 per share to an existing investor group for aggregate gross proceeds of \$13,680.

Restricted Stock and Stock Options

Refer to Note 13 - Share-Based Compensation and Other Benefits for details of restricted stock awards and stock option grants.

Other Equity

Refer to Note 9 - Debt for details of a convertible promissory note classified as equity.

Warrants

Each warrant entitles the holder to purchase one share of the same class of common share. The following table summarizes all warrants outstanding as of March 31, 2022:

Expiration Date	Exercise Price (\$)	Number of Warrants
2022	1.25 - 1.31	322,298
2023	1.47 - 1.50	337,500
2024	1.25	36,040,922
2025	1.25 - 2.97	2,068,508
2026	4.18	300,000
2029	0.50 - 2.00	26,367,627
Total warrants		65,436,855

As of March 31, 2022, warrants issued and outstanding have a weighted-average remaining contractual life of 4.5 years. Certain warrants may be net share settled.

The activity of warrants outstanding was as follows:

	Non-Derivative Warrants	Derivative Warrants ⁽²⁾	Total Number of Warrants	Weighted - Average Exercise Price
Balance as of January 1, 2022	29,156,048	40,124,355	69,280,403	\$ 1.19
Exercised ⁽¹⁾	(393,548)	(3,450,000)	(3,843,548)	1.26
Balance as of March 31, 2022	28,762,500	36,674,355	65,436,855	\$ 1.19
Exercisable as of March 31, 2022	26,899,164	36,674,355	63,573,519	\$ 1.15

- (1) The weighted average share price as of the dates of exercise was \$3.71. The Company issued 2,676,303 SVS and received \$541 in cash proceeds during the three months ended March 31, 2022 for warrants exercised.
- (2) Derivative warrants, which were issued to the Senior Notes holders, have an exercise price of \$1.25. These warrants represent a derivative liability and are therefore not classified as equity in the statement of financial position. Refer to Note 11 - Derivative Liabilities.

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JUSHI HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



13. SHARE-BASED COMPENSATION AND OTHER BENEFITS

The components of share-based compensation expense are as follows:

	Three Months Ended March 31,	
	2022	2021
Stock options	\$ 5,845	\$ 928
Restricted stock	832	2,538
Warrants	287	547
Total share-based compensation expense	\$ 6,964	\$ 4,013

Equity Incentive Plan

Under the Company's 2019 Equity Incentive Plan, as amended (the "Plan"), non-transferable options to purchase SVS Shares and restricted SVS of the Company may be issued to directors, officers, employees, or consultants of the Company. The Plan authorizes the issuance of up to 15% (plus an additional 2% inducements for hiring employees and senior management) of the number of outstanding shares of common stock (of all classes) of the Company (the "Share Reserve"). Incentive stock options are limited to the Share Reserve as of June 6, 2019. As of March 31, 2022, the maximum number of incentive awards available for issuance under the 2019 Plan, including additional awards available for certain new hires, was 9.1 million.

(a) Stock Options

The stock options issued by the Company are options to purchase SVS of the Company. All stock options issued have been issued to employees of certain subsidiaries of the Company under the Company's Plan. Such options generally expire in ten years from the date of grant and generally vest ratably over three years from the grant date. The options may be net share settled.

The continuity of stock options outstanding is as follows:

	Number of Stock Options	Weighted- Average Per Share Exercise Price
Issued and Outstanding as of January 1, 2022	20,429,120	\$ 3.20
Granted ⁽¹⁾	545,000	\$ 4.20
Exercised ⁽²⁾	(249,998)	\$ 1.70
Forfeited/expired	(216,668)	\$ 3.63
Issued and Outstanding as of March 31, 2022	20,507,454	\$ 3.24
Exercisable as of March 31, 2022	5,872,425	\$ 2.02

(1) The weighted-average per share grant date fair value was \$4.20.

(2) The weighted-average share price at the date of exercise was \$4.03. There were no cash proceeds as all the exercises were net share settled.

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JUSHI HOLDINGS INC.

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(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



The following table summarizes the issued and outstanding stock options as of March 31, 2022:

Expiration Year	Stock Options Outstanding	Exercise Price	Stock Options Exercisable
2028	720,000	\$1.00 - \$1.35	720,000
2029	7,024,668	\$1.26 - \$2.75	4,670,322
2030	920,834	\$0.91 - \$ 3.98	345,824
2031	11,321,952	\$3.70 - \$6.53	136,279
2032	520,000	\$4.20	—
	20,507,454		5,872,425

As of March 31, 2022, stock options outstanding have a weighted-average remaining contractual life of 8.6 years.

In determining the amount of share-based compensation expense related to stock options issued, the Company used the Black-Scholes option-pricing model to establish the measurement date fair value of stock options granted during the period. The following assumptions were applied at the time of grant:

	Three Months Ended March 31,	
	2022	2021
Stock price	\$3.94	\$6.13
Risk-free annual interest rate	1.83% - 1.90%	0.45% - 0.69%
Expected annual dividend yield	0%	0%
Volatility	73%	78%
Expected life of stock options	5.3 - 7.5 years	5 - 6.5 years
Forfeiture rate	0%	0%

Volatility was estimated by using the Company volatility and a weighting of the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies. The expected life in years represents the period of time that stock options issued are expected to be outstanding, using the simplified method. The simplified method represents the Company's best estimate of the expected term of the options, given the Company's limited history available. The risk-free rate is based on U.S. Treasury bills with a remaining term equal to the expected life of the options. The Company does not anticipate paying dividends in the foreseeable future, and as a result, the expected annual dividend yield is expected to be 0%.

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JUSHI HOLDINGS INC.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



(b) Restricted Stock Grants

The Company grants restricted SVS to independent directors, management, former owners of acquired businesses or assets, and to consultants and other employees. The restricted SVS are included in the issued and outstanding SVS. The activity for unvested restricted stock grants is as follows:

	Number of Restricted Subordinate Voting Shares
Unvested restricted stock as of January 1, 2022	2,859,151
Granted ⁽¹⁾	5,952
Cancelled	(7,813)
Vested	(100,000)
Unvested restricted stock as of March 31, 2022	2,757,290

(1) The weighted-average per share grant date fair value was \$4.20

Generally, restricted stock awards will vest either one-third on each anniversary of service from the vesting start date or will be fully vested on the completion of one year of full service from the vesting start date, depending on the award. As of March 31, 2022, unvested restricted stock awards have a weighted-average remaining vesting period of 0.9 years.

14. INCOME TAXES

The following table summarized the Company's income tax expense and effective tax rates for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Income (Loss) Before Income Taxes	\$ (14,706)	\$ (22,739)
Income Tax Expense	\$ 5,051	\$ 8,312
Effective Tax Rate	(34.3)%	(36.6)%

The Company has computed its provision for income taxes based on the actual effective rate for the quarter as the Company believes this is the best estimate for the annual effective tax rate.

Due to its cannabis operations, the Company is subject to the limitation of U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E under which the Company is only allowed to deduct "costs of goods sold". This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E. Therefore, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income which provides for effective tax rates that are well in excess of statutory tax rates.

The Company's tax returns benefited from not applying IRC Section 280E to certain entities of the consolidated group either due to the entity not yet starting operations or because the entity had a separate trade or business that was not medical or recreational cannabis operations. The Company determined that it is not more likely than not these tax positions would be sustained under examination.

As a result, the Company has an uncertain tax liability of \$41,743 and \$41,990 as of March 31, 2022 and December 31, 2021, respectively, inclusive of interest and penalties, which is included in non-current income tax liabilities in the consolidated balance sheets.

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15. NON-CONTROLLING INTERESTS

Jushi Europe

The Company's non-controlling interests are comprised primarily of the non-controlling interest in Jushi Europe. In March 2020, the Company finalized its agreement to expand internationally through the establishment of Jushi Europe. Jushi Europe planned to build out its European business through a combination of strategic acquisitions, partnerships, and license applications, focused on supplying the highest-quality medical cannabis products to patients throughout Europe. During the first quarter of 2020, the Company received \$2,000 in cash from the 49% investor partner. The Company owns 51% of Jushi Europe and is exposed, or has rights, to variable returns from Jushi Europe and has the power to govern the financial and operating policies of Jushi Europe through voting control so as to obtain economic benefits, and therefore the Company has consolidated Jushi Europe from the date of acquisition.

During the fourth quarter of 2020, Jushi Europe entered into a credit agreement with a sibling of the Jushi Europe non-controlling partner and received €500 (approximately \$614) principal amount. In January 2021, Jushi Europe received €1,000 (approximately \$1,214 as of December 31, 2021) principal amount pursuant to a credit agreement with an individual. These credit agreements accrue interest at 5% per annum, payable annually in arrears, and mature on November 11, 2024. The outstanding balance may be prepaid at any time prior to maturity without penalty and may be offset with receivables from the lender. Subsequent to December 31, 2021, it was determined that Jushi Europe was insolvent. The insolvency created an event of default under the unsecured credit agreements and the notes are immediately due and payable.

In April 2021, Jushi Europe entered into an unsecured bridge loan with the Company (51% owner) and an investment partner for a total of €1,800 (~\$2,141) principal amount, of which €900 (~\$1,070) was contributed by the Company and is eliminated in consolidation. In September 2021, the parties amended the loan agreement and an additional €1,200 (~\$1,390) in funding was provided for Jushi Europe, of which 51% was contributed by the Company and is eliminated in consolidation. The bridge loans, as amended, currently accrue interest at 0.5% per annum, which is the foreign marginal lending facility rate plus 25 basis points. All payments including interest are due on maturity, which is 180 days post amendment. These loans had not yet been repaid and are delinquent.

On February 22, 2022, Jushi Europe filed a notice of over-indebtedness with the Swiss courts. The Swiss court declared Jushi Europe's bankruptcy on May 19, 2022. As a result of the impending proceedings, the Company determined that the assets of Jushi Europe were impaired and recognized an impairment loss of \$4,561 for the year ended December 31, 2021.

16. NET INCOME (LOSS) PER SHARE

The reconciliations of the earnings (loss) and the weighted average number of shares used in the computations of basic and diluted EPS are as follows:

	Three Months Ended March 31,	
	2022	2021
Numerator:		
Net income (loss) and comprehensive income (loss) attributable to Jushi shareholders - basic	\$ (19,757)	\$ (30,876)
Dilutive effect of net income from derivative warrants liability	(14,309)	—
Net loss and comprehensive loss attributable to Jushi shareholders - diluted	\$ (34,066)	\$ (30,876)
Denominator:		
Weighted-average shares of common stock - basic	183,226,027	157,176,375
Dilutive effect of derivative warrants	24,612,879	—
Weighted-average shares of common stock - diluted	207,838,906	157,176,375
Net income (loss) per common share attributable to Jushi:		
Basic	\$ (0.11)	\$ (0.20)
Diluted	\$ (0.16)	\$ (0.20)

On August 9, 2021, all of the 149,000 previously issued and outstanding Super Voting Shares and all of the 4,000,000 previously outstanding Multiple Voting Shares were converted into Subordinate Voting Shares in accordance with their terms as described in Jushi Holdings Inc.'s Articles of Incorporation. Refer to Note 12 - Equity. The number of basic and diluted weighted-average shares outstanding for the three months ended March 31, 2022 and 2021, assumes the conversion of the Multi Voting Share and Super Voting Shares into Subordinate Voting Shares as of the beginning of the year. Other than voting rights, the Multi Voting Shares and Super Voting Shares had the same rights as the Subordinate Voting Shares and therefore all these shares are treated as the same class of common stock for purposes of the earnings (loss) per share calculations.

JUSHI HOLDINGS INC.

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The weighted-average shares outstanding for the three months ended March 31, 2022 and 2021 exclude unvested restricted stock awards as they are not considered participating securities under ASC 260 Earnings Per Share, because although the holders have dividend rights regardless of vesting, they are not obligated to participate in losses until the shares are vested. Shares issued to employees for which a corresponding non-recourse promissory note receivable with the employee is outstanding are not included in the weighted average shares outstanding in accordance with ASC 260 until the notes are repaid.

For purposes of computing diluted earnings (loss) per share for the three months ended March 31, 2022, and 2021, the outstanding stock options, warrants, restricted stock awards, and the convertible notes presented in the table below are considered anti-dilutive because the Company was in a net loss position, or was in a net loss position after adjusting for the effect of the derivative warrants liability. The following table summarizes equity instruments that may, in the future, have a dilutive effect on earnings (loss) per share, but were excluded from consideration in the computation of diluted net loss per share for the three months ended March 31, 2022 and 2021, because the impact of including them would have been anti-dilutive:

	March 31,	
	2022	2021
Stock options	20,507,454	9,658,834
Warrants	28,762,500	74,883,956
Restricted stock ⁽¹⁾	4,307,290	7,359,600
Convertible promissory notes	910,000	930,000
	54,487,244	92,832,390

- (1) Includes 1,550,000 and 1,583,333 vested restricted stock awards related to outstanding non-recourse promissory notes due from employees as of March 31, 2022 and 2021, respectively

17. OPERATING EXPENSES

The major components of operating expenses are as follows:

	Three Months Ended March 31,	
	2022	2021
Salaries, wages and employee related expenses	\$ 17,336	\$ 9,882
Other general and administrative expenses ⁽¹⁾	10,611	6,804
Share-based compensation expense	6,964	4,013
Depreciation and amortization expense	2,256	974
Acquisition and deal costs	141	238
Total operating expenses	\$ 37,308	\$ 21,911

- (1) Other general and administrative expenses are primarily comprised of rent and related expenses, professional fees and legal expenses, marketing and selling expenses, insurance costs, administrative and application fee, software and technology costs, travel, entertainment and conferences and other.

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JUSHI HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



18. OTHER INCOME (EXPENSE)

The components of other expense, net are as follows:

	Three Months Ended March 31,	
	2022	2021
Gains (losses) on investments and financial assets	—	1,149
Losses on debt redemptions/extinguishments/modifications	—	(3,815)
Gains (losses) on legal settlements	24	(807)
Other	(727)	97
Other expense, net	\$ (703)	\$ (3,376)

19. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions:

Nature of transaction	Three Months Ended March 31,		As of	
	(unaudited)		March 31, 2022	
	2022	2021	(unaudited)	December 31, 2021
	Related Party		Related Party	
	Income (Expense)		Prepaid/Receivable (Payable)	
Management services agreements ⁽¹⁾	\$ —	\$ (10)	\$ —	\$ —
Senior Notes - interest expense and principal amount ⁽²⁾	\$ (9)	\$ (46)	\$ (342)	\$ (1,194)
Loans to senior key management - interest charged and principal plus accrued interest outstanding ⁽³⁾	\$ —	\$ 31	\$ —	\$ —

- (1) Includes fees paid to entities controlled by the Company's Chief Executive Officer, James Cacioppo, for shared costs of administrative services, the provision of financial and research-related advice, and sourcing and assisting in mergers, acquisitions and capital transactions. These amounts are included in operating expenses within the consolidated statements of operations and comprehensive income (loss). Excludes expense from previously issued warrants, which is included in stock-based compensation expense. For the three months ended March 31, 2022 and 2021, total expense for warrants issued in connection with these management services agreements was \$445 and \$359, respectively.
- (2) Interest expense includes amounts related to certain senior key management, directors and other employees as well as a significant investor.
- (3) In January 2021, an executive received a loan from the Company of \$174 for withholding tax requirements for RSAs issued to the executive, which was repaid in full via payroll deductions. In April 2019, the Company entered into promissory notes with certain executives for the purchase of restricted stock, pursuant to which those executives borrowed an aggregate of \$1,813 at a rate of 2.89% per annum, compounded annually. As these loans were non-recourse loans under the accounting guidance they were not reflected in the consolidated balance sheet or table above. As of December 31, 2021, all these balances plus accrued interest have been settled. The balances including accrued interest were settled as part of the executive's regular pay and bonus, severance or via shares repurchased by the Company. During the year ended December 31, 2021, the Company received 471,757 shares from key management personnel in full settlement of principal amount \$2,007 outstanding promissory notes and related interest.

Refer to Note 15 - Non-Controlling Interests for details of other loans from related parties.

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20. COMMITMENTS AND CONTINGENCIES

Contingencies

Although the possession, cultivation and distribution of cannabis for medical use is permitted in certain states, cannabis is classified as a Schedule-I controlled substance under the U.S. Controlled Substances Act and its use remains a violation of federal law. The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management believes that the Company is in material compliance with applicable local and state regulations as of March 31, 2022, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company could be subject to regulatory fines, penalties or restrictions at any time. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely result in the Company's inability to proceed with the Company's business plans. In addition, the Company's assets, including real property, cash and cash equivalents, equipment, inventory and other goods, could be subject to asset forfeiture because cannabis is still federally illegal.

Refer to Note 14 - Income Taxes for certain tax-related contingencies and to Note 7 - Acquisitions for an acquisition-related contingent consideration liability.

Claims and Litigation

Any proceeding that may be brought against the Company could have a material adverse effect on the Company's business plans, financial condition and results of operations. From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. Except as disclosed below, as of March 31, 2022, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's financial results. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

Refer to Note 15 - Non-Controlling Interests for the information regarding the bankruptcy of Jushi Europe.

Commitments

In addition to the contractual obligations outlined in Note 9 - Debt and Note 10 - Lease Obligations, the Company has the following commitments as of March 31, 2022:

(i) Acquisitions

NuLeaf

In November 2021, the Company entered into a definitive agreement to acquire NuLeaf, Inc. together with its subsidiaries and related companies (collectively, "NuLeaf"), a Nevada-based vertically integrated operator. As of March 31, 2022, NuLeaf currently operates two high-performing adult-use and medical retail dispensaries in Las Vegas, NV and Lake Tahoe, NV, in addition to a 27,000 sq. ft. cultivation facility in Sparks, NV, as well as a 13,000 sq. ft. processing facility in Reno, NV. Additionally, NuLeaf owns a third licensed retail dispensary located directly on Las Vegas Boulevard. Refer to Note 22 - Subsequent Events.

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(ii) Property and Construction Commitments

In connection with various license applications, the Company may enter into conditional leases or other property commitments which will be executed if the Company is successful in obtaining the applicable license and/or resolving other contingencies related to the license or application.

In addition, the Company expects to incur capital expenditures for leasehold improvements and construction of buildouts of certain locations, including for properties for which the lease is conditional on obtaining the applicable related license or for which other contingencies exist. If the Company were to be unsuccessful in obtaining a particular license or certain other conditions are not met, the previously capitalized improvements and buildouts relating to that license may need to be expensed in future periods in the statements of operations and comprehensive income (loss).

21. FINANCIAL INSTRUMENTS

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

(i) Level 1 – Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

(ii) Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by the observable market data for substantially the full term of the assets or liabilities;

(iii) Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table sets forth the Company's financial assets and liabilities, subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of March 31, 2022:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity investment	\$ —	\$ —	\$ 1,500	\$ 1,500
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
Financial liabilities:				
Derivative liabilities ⁽¹⁾	\$ —	\$ —	\$ 68,975	\$ 68,975
Contingent consideration liabilities	\$ —	\$ —	\$ 8,628	\$ 8,628
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 77,603</u>	<u>\$ 77,603</u>

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JUSHI HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



The following table sets forth the Company's financial assets and liabilities, subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity investment	\$ —	\$ —	\$ 1,500	\$ 1,500
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
Financial liabilities:				
Derivative liabilities ⁽¹⁾	\$ —	\$ —	\$ 92,435	\$ 92,435
Contingent consideration liabilities ⁽²⁾	—	—	8,223	8,223
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 100,658</u>	<u>\$ 100,658</u>

(1) Refer to Note 11 - Derivative Liabilities

(2) Refer to Note 7 - Acquisitions

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and certain accrued expenses, and certain other assets and liabilities held at amortized cost, approximate their fair values due to the short-term nature of these instruments. The equity investment approximates its fair value at March 31, 2022 and December 31, 2021. The carrying amounts of the promissory notes approximate their fair values as the effective interest rates are consistent with market rates. The fair value of the 10% Senior Notes as of March 31, 2022 and December 31, 2021 approximated the principal amount.

There were no transfers between hierarchy levels during the three months ended March 31, 2022.

22. SUBSEQUENT EVENTS

NuLeaf Acquisition

In April 2022, the Company closed on the NuLeaf acquisition. The Company paid upfront consideration comprised of \$15,750 in cash (which was drawn down from the acquisition facility in April 2022), subject to working capital adjustments, issued 4,662,384 SVS (with a grant date fair value of \$2.87 each), issued \$15,750 in an unsecured five-year note. The Company will also pay an additional \$10,000 (\$3,000 in cash, \$3,000 as an addition to the five-year note and the balance in shares) contingent on the opening of a third retail dispensary. In June 2022, the Company opened the third retail dispensary. The Company is still in the process of gathering and preparing additional disclosure information for this acquisition, including preliminary purchase price allocations and pro forma financial information. Due to the timing of the acquisition, the Company is not able to provide additional information at this time.

Drawdown on Acquisition Facility

Additionally, in April 2022, the Company drew down \$25,000 from the Acquisition Facility to fund the cash portions of the NuLeaf and Apothecarium acquisitions.

Results of Annual and Special Meeting of Shareholders

On June 29, 2022, the Company's shareholders approved the following:

- An amendment to the Company's 2019 Equity Incentive Plan (the "Plan") to increase the number of shares that may be issued pursuant to the exercise of incentive stock options under the Plan to an amount equal to 15% (plus an additional 2% inducements for hiring employees and senior management) of the outstanding Shares as of May 31, 2022; and
- An amendment to the Company's articles to create a new class of preferred shares issuable in series, with the special rights and restrictions attached to each series to be as determined by the board of directors of the Company, if, as and when created and issued, voted to create a class of preferred shares.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Jushi Holdings Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Jushi Holdings, Inc. and Subsidiaries (collectively known as the "Company") as of December 31, 2021 and

2020, the related consolidated statements of operations and comprehensive (income) loss, changes in equity, and cash flows for each of the years in the two year period ended December 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and the results of its operations and its cash flows for each of the years in the two year period ended December 31, 2021, in conformity with accounting principles generally accepted in the U.S.

Restatement

As discussed in Note 25 to the financial statements, the 2021 Consolidated Statement of Cash Flows has been restated to correct a misstatement.

Basis for Our Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the U.S. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor since 2021.

Chicago, Illinois

May 16, 2022, except for Note 25 as to which the date is July 6, 2022

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JUSHI HOLDINGS INC. CONSOLIDATED BALANCE SHEETS (in thousands of U.S. dollars, except share amounts)

	December 31,	
	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 94,962	\$ 85,857
Accounts receivable, net	3,200	859
Investments in securities	—	7,934
Inventories	43,319	11,945
Prepaid expenses and other current assets	12,875	4,691
Total current assets	\$ 154,356	\$ 111,286
NON-CURRENT ASSETS:		
Property, plant and equipment, net	\$ 137,280	\$ 38,619
Right-of use assets - finance leases	94,008	29,439
Other intangible assets, net	182,466	124,312
Goodwill	52,920	19,093
Other non-current assets (including related party receivables of \$nil and \$2,470 as of December 31, 2021 and 2020, respectively)	27,586	12,916
Non-current restricted cash	525	—
Total non-current assets	\$ 494,785	\$ 224,379
Total assets	\$ 649,141	\$ 335,665
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 10,539	\$ 3,711
Accrued expenses and other current liabilities	47,972	11,356
Income tax liabilities - current	6,614	1,541
Debt, net - current portion	6,181	1,659
Finance lease obligations - current	12,620	3,674
Total current liabilities	\$ 83,926	\$ 21,941
NON-CURRENT LIABILITIES:		
Non-current debt, net (including related party principal amounts of \$4,578 and \$26,089 as of December 31, 2021 and 2020, respectively)	\$ 122,971	\$ 57,091
Finance lease obligations - non-current	88,297	29,053
Operating lease liabilities - non-current	15,163	6,040
Derivative liabilities	92,435	205,361
Income tax liabilities - non-current	57,143	13,756

Contingent consideration liabilities	8,223	—
Total non-current liabilities	\$ 384,232	\$ 311,301
Total liabilities	\$ 468,158	\$ 333,242
COMMITMENTS AND CONTINGENCIES (Note 22)		
EQUITY:		
Common stock (no par value; authorized shares - unlimited; issued shares - 182,707,359 and 132,396,064 Subordinate Voting Shares (including 2,859,151 and 6,438,186 unvested stock awards) as of December 31, 2021 and 2020, respectively; no Super Voting Shares and no Multi Voting Shares as of December 31, 2021; and 149,000 Super Voting Shares and 4,000,000 Multi Voting Shares as of December 31, 2020)	\$ —	\$ —
Paid-in capital	424,788	262,145
Accumulated deficit	(242,418)	(262,669)
Total Jushi shareholders' equity	\$ 182,370	\$ (524)
Non-controlling interests	(1,387)	2,947
Total equity	\$ 180,983	\$ 2,423
Total liabilities and equity	\$ 649,141	\$ 335,665

The accompanying notes are an integral part of these consolidated financial statements.

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JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands of U.S. dollars, except share amounts)

	For the Year Ended December 31,	
	2021	2020
REVENUE, NET	\$ 209,292	\$ 80,772
COST OF GOODS SOLD	(125,898)	(42,431)
GROSS PROFIT	\$ 83,394	\$ 38,341
OPERATING EXPENSES	\$ 119,159	\$ 54,895
LOSS FROM OPERATIONS	\$ (35,765)	\$ (16,554)
OTHER (EXPENSE) INCOME:		
Interest expense, net (including related party interest expense of \$2,305 for the year ended December 31, 2020)	\$ (30,610)	\$ (15,333)
Fair value gains (losses) on derivatives	105,170	(173,707)
Other, net	8,309	3,702
Total net other income (expense)	\$ 82,869	\$ (185,338)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	\$ 47,104	\$ (201,892)
Provision for income taxes	(29,625)	(10,623)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 17,479	\$ (212,515)
Net loss attributable to non-controlling interests	(2,772)	(1,908)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO JUSHI SHAREHOLDERS	\$ 20,251	\$ (210,607)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - BASIC	\$ 0.12	\$ (1.94)
Weighted average shares outstanding - basic	170,292,035	108,485,158
NET (LOSS) AND COMPREHENSIVE (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - DILUTED	\$ (0.42)	\$ (1.94)
Weighted average shares outstanding - diluted	201,610,251	108,485,158

The accompanying notes are an integral part of these consolidated financial statements.

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JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of U.S. dollars, except share amounts)

	Number of Shares							
	Super Voting Shares	Multiple Voting Shares	Subordinate Voting Shares	Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances - January 1, 2020	149,000	4,000,000	91,592,638	\$ 165,436	\$ (52,062)	\$ 113,374	\$ 9,660	\$ 123,034
Issuance of shares and warrants for cash, net	—	—	11,500,000	29,243	—	29,243	—	29,243
TGS Transaction	—	—	(4,800,000)	(7,125)	—	(7,125)	4,661	(2,464)
Purchases of non-controlling interests	—	—	3,927,911	7,395	—	7,395	(13,020)	(5,625)
Non-controlling interests - Jushi Europe and other transactions	—	—	—	—	—	—	1,994	1,994
Acquisition of Agape	—	—	769,231	1,000	—	1,000	1,560	2,560
Restricted stock grants and vesting, net of forfeitures (including related parties)	—	—	4,548,099	5,898	—	5,898	—	5,898
Warrant expense, net of cancellations (including related parties)	—	—	—	1,128	—	1,128	—	1,128
Stock option expense, net of forfeitures (including related parties)	—	—	—	2,741	—	2,741	—	2,741
Warrant exercises	—	—	24,456,519	55,283	—	55,283	—	55,283
Stock option exercises	—	—	26,666	41	—	41	—	41

Shares issued for settlements	—	—	375,000	1,105	—	1,105	—	1,105
Net loss	—	—	—	—	(210,607)	(210,607)	(1,908)	(212,515)
Balances - December 31, 2020	149,000	4,000,000	132,396,064	\$ 262,145	\$ (262,669)	\$ (524)	\$ 2,947	\$ 2,423
Public offerings	—	—	13,685,000	85,660	—	85,660	—	85,660
Purchases of non-controlling interests - Agape	—	—	500,000	1,562	—	1,562	(1,562)	—
Acquisition of Grover Beach	—	—	49,348	368	—	368	—	368
Acquisition of Nature's Remedy	—	—	8,700,000	35,670	—	35,670	—	35,670
Conversion of Super Voting Shares and Multiple Voting Shares	(149,000)	(4,000,000)	18,900,000	—	—	—	—	—
Restricted stock grants and vesting, net of forfeitures (including related parties)	—	—	65,398	5,873	—	5,873	—	5,873
Warrant expense, net of cancellations (including related parties)	—	—	—	1,169	—	1,169	—	1,169
Stock option expense, net of forfeitures (including related parties)	—	—	—	7,464	—	7,464	—	7,464
Shares issued upon exercise of warrants	—	—	8,667,173	24,676	—	24,676	—	24,676
Shares issued upon exercise of stock options	—	—	216,133	171	—	171	—	171
Settlement of promissory notes due from related parties	—	—	(471,757)	30	—	30	—	30
Net income (loss)	—	—	—	—	20,251	20,251	(2,772)	17,479
Balances - December 31, 2021	—	—	182,707,359	\$ 424,788	\$ (242,418)	\$ 182,370	\$ (1,387)	\$ 180,983

The accompanying notes are an integral part of these consolidated financial statements

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JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	For the Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 17,479	\$ (212,515)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization, including amounts in cost of goods sold	8,411	4,425
Share-based compensation	14,506	9,592
Fair value changes in derivatives	(105,170)	173,707
Non-cash interest expense (2021 as restated, see Note 25)	17,055	8,205
Deferred income taxes	(5,110)	(3,557)
Loss on debt modification/extinguishment/redemption	3,815	1,853
Goodwill impairment	1,783	170
Asset impairment charges	4,561	—
(Gains) losses on investments and financial assets	(1,216)	2,473
Net gains on business combinations	—	(10,149)
Non-cash other (income) expense, net	(81)	1,097
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(1,872)	(61)
Prepaid expenses and other current assets	(7,502)	(1,724)
Inventory	(12,945)	(4,254)
Accounts payable, accrued expenses and other current liabilities	48,381	19,699
Other assets	3,601	(1,325)
Net cash flows used in operating activities (2021 as restated, see Note 25)	\$ (14,304)	\$ (12,364)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for acquisitions, net of cash acquired	\$ (47,308)	\$ (28,564)
Payment for PADS Purchase Option	—	(1,553)
Payments for property, plant and equipment	(75,296)	(22,780)
Proceeds from investments and financial asset	9,149	18,597
Payments for investments	—	(11,500)
Net cash flows used in investing activities	\$ (113,455)	\$ (45,800)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares for cash, net	\$ 85,660	\$ 29,243
Proceeds from acquisition related credit facility, net	38,299	—
Proceeds from exercise of warrants and options	17,128	46,587
Proceeds from issuance of senior notes and related warrants	—	51,861
Redemptions of senior notes (including related party redemptions of \$3,072)	(8,134)	—
Payments on promissory notes	(1,620)	(24,003)
Payments on lease obligations (2021 as restated, see Note 25)	(1,163)	(1,848)
Proceeds from other debt	7,910	3,529
Repayments of other debt	(417)	—
Payments for acquisitions from non-controlling interests	—	(2,231)
Contributions from non-controlling interests	—	1,994
Net cash flows provided by financing activities (2021 as restated, see Note 25)	\$ 137,663	\$ 105,132
Effect of currency translation on cash and cash equivalents	(274)	(47)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ 9,630	\$ 46,921
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF	85,857	38,936
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 95,487	\$ 85,857
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest (excluding capitalized interest) (2021 as restated, see Note 25)	\$ 13,798	\$ 7,359

Cash paid for income taxes	\$	7,066	\$	1,336
NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Accrued capital expenditures	\$	17,599	\$	2,177
Right of use assets from finance lease liabilities (excluding from acquisitions)	\$	51,200	\$	15,287
Fair value of note obligations and warrant liabilities from acquisitions and acquisitions of non-controlling interests	\$	17,774	\$	16,250
Fair value of shares issued for acquisitions and acquisitions of non-controlling interests	\$	39,463	\$	13,864

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	For the Year Ended December 31,	
	2021	2020
Assets acquired and liabilities assumed in business combinations:		
Cash and cash equivalents	\$ 3,454	1,102
Other current assets	\$ 19,440	5,263
Property, plant and equipment, including right-of-use assets	\$ 55,455	19,023
Other intangible assets	\$ 60,131	45,505
Goodwill	\$ 35,610	1,375
Accounts payable and accrued liabilities	\$ (8,604)	(1,076)
Lease obligations	\$ (32,210)	(18,895)
Deferred tax liabilities	\$ (20,524)	(1,410)
Contingent consideration liabilities	\$ (8,223)	—

The accompanying notes are an integral part of these consolidated financial statements

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Jushi Holdings Inc. (the “Company” or “Jushi”) is incorporated under the British Columbia’s Business Corporations Act (“BCBCA”). The Company is a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. As of December 31, 2021, Jushi, through its subsidiaries, owns or manages cannabis operations and/or holds licenses in the adult-use and/or medicinal cannabis marketplace in Illinois, Pennsylvania, Virginia, Massachusetts, Nevada, California and Ohio.

The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades its subordinated voting shares (“SVS”) under the ticker symbol “JUSH”, and trades on the U.S. Over the Counter Stock Market (“OTCQX”) under the symbol JUSHF.

The Company’s head office is located at 301 Yamato Road, Suite 3250, Boca Raton, Florida 33431, U.S.A., and its registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8, Canada.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying consolidated financial statements present the consolidated financial position and operations of Jushi Holdings Inc. and its subsidiaries and entities over which the Company has control, in accordance with accounting principles generally accepted in the U.S. (“GAAP”). The accounts of the subsidiaries are prepared for the same reporting period using consistent accounting policies. Intercompany balances and transactions are eliminated in consolidation.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern. US GAAP requires an entity to look forward 12 months from the date the financial statements are available to be issued, (the “look-forward” period) when assessing whether the going concern assumption can be used. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

As reflected in these consolidated financial statements, the Company has incurred losses from operations for the years ended December 31, 2021 and 2020 and has an accumulated deficit of \$242,418 as of December 31, 2021. As discussed in Note 11 - Debt, the Company’s 10% senior notes (the “Senior Notes”), which as of December 31, 2021 had an aggregate principal amount outstanding of \$75,193, mature on January 15, 2023, and its Acquisition Facility (refer to Note 11 - Debt) required the Company to maintain certain covenants which the Company may not have been in compliance with if the court accepted Jushi Europe’s petition for bankruptcy and was projected to violate certain financial covenants further within the next twelve months. This condition raised a substantial doubt about the Company’s ability to continue as a going concern.

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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Management believes that this substantial doubt has been alleviated due to: (i) an amendment entered into with the lender in April 2022, which included a waiver related to Jushi Europe’s bankruptcy and a change to the terms of the Total Leverage ratio, as defined in the Acquisition Facility agreement, and deferred the commencement date of leverage testing under the Acquisition Facility (ii) available cash and cash equivalents on hand, which were \$94,962 as of December 31, 2021; (iii) ongoing efforts with certain

lenders to refinance the Senior Notes; (iv) expected continued growth of sales, gross profit and cash flows from operations; and (v) the ability to defer certain capital projects and reallocate funds for debt repayment, if the need arose. The Company also has access to alternative sources of debt and equity financing, including secured borrowings and through a base shelf prospectus, which allows the Company to offer up to C\$500,000 in securities in Canada through the end of 2023.

Management's evaluation of the Company's liquidity position involved significant judgment. The most significant judgments involved: (i) a probability assessment of the successful refinancing of the Senior Notes; and (ii) the underlying estimates and assumptions for projected sales, gross profits and cash flow. Management believes its plans are achievable. However, there can be no assurance that the Company will be able to refinance the Senior Notes, generate positive results from operations, or obtain additional liquidity when needed or under acceptable terms, if at all.

Functional and Reporting Currency

The functional currency of the Company and its subsidiaries, as determined by management, is the U.S. dollar. The Company's reporting currency is the U.S. Dollar. These consolidated financial statements are presented in thousands of U.S. dollars unless otherwise noted. Transactions in foreign currencies are recorded at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into the functional currency at the foreign exchange rate in effect at that date. Realized and unrealized exchange gains and losses are recognized through profit and loss.

Use of Estimates

The preparation of these consolidated financial statements and accompanying notes requires us to make estimates and assumptions that affect amounts reported. Estimates are used to account for certain items such as the valuation of inventories, including stage of growth of cannabis plants, the likelihood the plants will grow to full maturity, and the estimated yields from harvest and conversion to finished goods; the assessment of business combinations and asset acquisitions and the fair values of the assets and liabilities acquired; the fair value of purchase consideration and contingent consideration; the useful lives of definite lived intangible assets and property and equipment; stock-based compensation, leases, income tax provision and uncertain tax positions, the collectability of receivables and other items requiring judgment. Estimates are based on historical information and other assumptions that management believes are reasonable under the circumstances. Due to the inherent uncertainty involved with estimates, actual results may differ materially.

Cash and Cash Equivalents and Restricted Cash

The Company considers cash deposits and all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash deposits in financial institutions and cash held at retail locations. Cash and cash held in money market investments are carried at fair value. When the use of a cash balance is subject to regulatory or contractual restrictions and therefore not available for general use by the Company, the Company classifies the cash as restricted cash. The Company had \$525 restricted cash as of December 31, 2021 and had no restricted cash as of December 31, 2020.

The Company maintains cash with various U.S. banks and credit unions with balances in excess of the Federal Deposit Insurance Corporation and National Credit Union Share Insurance Fund limits, respectively. The failure of a bank or credit union where the Company has significant deposits could result in a loss of a portion of such cash balances in excess of the insured limit, which could materially and adversely affect the Company's business, financial condition and results of operations.

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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Investments in Securities

Investments in securities consists of investments in mutual funds and equity securities. These investments are measured at fair value with realized and unrealized gains and losses recognized in other income (expense) in the consolidated statement of operations in the period in which they occur.

Accounts Receivable and Expected Credit Losses

Accounts receivable are recorded at the invoiced amount and do not bear interest. Expected credit losses (or "allowance") reflects the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of accounts receivable is reviewed on an ongoing basis. Expected credit losses are determined based on a combination of factors, including the Company's risk assessment regarding the specific exposures, credit worthiness of its customers, historical collection experience and length of time the receivables are past due. Account balances are charged off against the allowance when the Company believes it is probable the receivable will not be recovered. During the years ended December 31, 2021 and 2020, the Company's recorded expected credit losses were not material given that a significant majority of the Company's sales were collected in cash at the point of sale.

Inventories

Inventories are comprised of raw materials, work in process, finished goods and packaging materials. Inventories primarily consist of cannabis plants, dried cannabis, cannabis trim, and cannabis derivatives such as oils and edible products, and accessories. Inventories are initially recorded at cost and subsequently at the lower of cost or net realizable value. Costs incurred during the growing and production processes are capitalized as incurred, as adjusted for estimated normal capacity and expected yields when incurred. These costs include direct materials, labor and manufacturing overhead used in the growing and production processes. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs to complete and sell. Cost is primarily determined on an average cost basis. The Company also reviews inventory for obsolete and slow-moving goods and writes down inventory to net realizable value.

Property, Plant and Equipment

Property, plant, and equipment ("PP&E") are measured at cost less accumulated depreciation, and impairment losses, if applicable. Purchased property and equipment are initially recorded at cost, or, if acquired in a business combination, at the acquisition date fair value. Finance lease right-of-use assets are recognized at inception based on the present value of minimum future lease payments. Depreciation is recognized on a straight-line basis over the following periods:

Buildings and building components	10 - 30 years
Leasehold improvements	The lesser of the term of the lease or the estimated useful life of the asset: 1-28 years
Machinery and equipment	1 - 10 years
Computer equipment	2 - 3 years
Furniture and fixtures	2 - 7 years
Finance lease ROU assets - buildings	14 - 28 years
Finance lease ROU assets - machinery and equipment	3 - 5 years

Land has an unlimited useful life and is, therefore, not depreciated. An asset's residual value, useful life and depreciation method are reviewed annually and adjusted prospectively if necessary.

JUSHI HOLDINGS INC.

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Construction-in-process ("CIP") represents assets under construction and is measured at cost, including borrowing costs incurred during the construction of qualifying assets. When construction on a property is complete and available for use, the cost of construction which has been included CIP will be reclassified to buildings and improvements, leasehold improvements or furniture and fixtures, as appropriate, and depreciated.

Impairment of Long-Lived Assets

Property and equipment, as well as right-of-use assets and definite lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require these long-lived assets to be tested for possible impairment and the Company's analysis indicates that a possible impairment exists based on an estimate of undiscounted future cash flows, the Company is required to estimate the fair value of the asset.

An impairment charge is recorded for the excess of the asset's or asset group's carrying value over its fair value, if any. Asset groups have identifiable cash flows and are largely independent of other asset groups. The Company assesses the fair value of long-lived assets using commonly accepted techniques, and may use more than one method, including recent third-party comparable sales and discounted cash flow models. The Company's impairment analyses require management to apply judgment in estimating future cash flows as well as asset fair values, and other assumptions.

Refer to Note 6 - Property, Plant and Equipment for information regarding the disposal/impairment of certain long-lived assets.

Business Combinations

Acquisitions are assessed under ASC 805, *Business Combinations* ("ASC 805"), and judgement is required to determine whether a transaction qualifies as an asset acquisition or businesses combination. The Company includes the results of operations of the businesses acquired from the acquisition date. Acquisition-related expenses are recognized separately from a business combination and are expensed as incurred.

The Company allocates the purchase price of the business combination to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. To the extent the fair value of the net assets acquired, including other identifiable assets, exceeds the purchase price, a bargain purchase gain is recognized in the statement of operations and comprehensive income (loss).

Acquisitions of assets or a group of assets that do not meet the definition of a business are accounted for as asset acquisitions using the cost accumulation method, whereby the cost of the acquisition, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values. No goodwill is recognized in an asset acquisition.

Variable Interest Entities

The Company determines at the inception of each arrangement whether an entity in which the Company has made an investment or in which it has other variable interests is considered a variable interest entity ("VIE"). The Company consolidates VIEs when it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has the power to direct activities that most significantly affect the economic performance of the VIE and has the obligation to absorb the majority of their losses or benefits. If the Company is not the primary beneficiary in a VIE, the VIE will be accounted for in accordance with other applicable accounting guidance. Periodically, the Company assesses whether any changes in the Company's interest or relationship with the entity affect the determination of whether the entity is a VIE and, if so, whether the Company is the primary beneficiary.

JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



The following are the Company's VIEs as of December 31, 2020 and for which the Company was the primary beneficiary:

Entity	Location	Ownership
Franklin Bioscience OH, LLC ⁽¹⁾	Ohio	0%
Franklin Bioscience NV LLC ⁽²⁾	Nevada	0%

(1) In August 2021, the Company completed the acquisition of 100% of Franklin Bioscience OH, LLC ("FBS - OH"). The Company had been operating FBS - OH under a management services agreement ("MSA") since 2019.

(2) In April 2021, the Company completed the acquisition of 100% of the equity of Franklin Bioscience NV LLC ("FBS Nevada"). The Company had been operating FBS Nevada under a MSA since 2019.

Intangible Assets

Intangible assets are recorded at cost, less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. The estimated useful lives, residual values and amortization methods are reviewed annually, and any changes in estimates are accounted for prospectively. Finite lived intangible assets are amortized using the straight-line method over their estimated useful lives. Refer to Note 8 - Goodwill and Other Intangible Assets.

Goodwill and Indefinite Lived Intangibles

In accordance with ASC 350 *Intangibles - Goodwill and Other* the Company reviews goodwill and indefinite lived intangibles for impairment at the reporting unit level

annually, or, when events or circumstances dictate, more frequently. At the time of a business combination, goodwill is either assigned to a specific reporting unit or allocated between reporting units based on the relative fair value of each reporting unit. The Company first performs a qualitative assessment to determine if it is more-likely-than-not that the reporting unit's carrying value, which includes goodwill and intangibles, is less than its fair value, indicating a potential for impairment, and therefore requiring a quantitative assessment. If the Company determines that a quantitative impairment test is required, the Company typically uses a combination of an income approach, i.e., a discounted cash flow calculation, and a market approach, i.e., using a market multiple method, to determine the fair value of each reporting unit, and then compare the fair value to its carrying amount to determine the amount of impairment, if any. If a reporting unit's fair value is less than its carrying amount, the Company would record an impairment charge based on that difference, up to the amount of goodwill and intangibles allocated to that reporting unit.

The quantitative impairment test requires the application of a number of significant assumptions, including estimated revenue growth rates, profit margins, terminal value growth rates, market multiples, and discount rates. The projections of future cash flows used to assess the fair value of the reporting units are based on the internal operation plans reviewed by management. The market multiples are based on comparable public company multiples. The discount rates are based on the risk-free rate of interest and estimated risk premiums for the reporting units at the time the impairment analysis is prepared or such evaluation date.

The Company performs its annual impairment tests on goodwill and indefinite-lived intangible assets during the fourth quarter. Refer to Note 8 - Goodwill and Other Intangible Assets.

Leases

In accordance with ASC 842 *Leases* the Company determines if an arrangement is a lease at inception. When a leasing arrangement is identified, a determination is made at inception as to whether the lease is an operating or a finance lease. Operating lease right-of-use ("ROU") assets and operating lease (current and non-current) liabilities and finance lease ROU assets and finance lease (current and non-current) liabilities are recognized in the consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and are expensed in the consolidated statements of operations on a straight-line basis over the lease term.

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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Right of use ("ROU") assets represent the Company's right to use an underlying asset in which the Company obtains substantially all of the economic benefits and the right to direct the use of the asset during the lease term. Lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term, using a discount rate equivalent to the Company's incremental borrowing rate for a term similar to the estimated duration of the lease, as the rates implicit in the Company's leases are not readily available. Payments that are not fixed at the commencement of the lease are considered variable and are excluded from the ROU asset and lease liability calculations. For finance leases, interest expense on lease liabilities is recognized using the effective interest method, and amortization of the related ROU asset is on a straight-line basis. Refer to *Property, Plant and Equipment* above for the useful lives of finance lease ROU assets. Operating lease cost, which includes the interest on the lease liability and amortization of the related ROU asset, is recognized on a straight-line basis over the lease term.

Topic 842 requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available in accordance with Topic 842. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Topic 842 requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Segments

The Company operates a vertically integrated cannabis business in one reportable segment: the cultivation, manufacturing, distribution and sale of cannabis in the U.S. All revenues for the year ended December 31, 2021 and 2020 were generated within the U.S., and substantially all long-lived assets are located within the U.S.

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

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Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 requires revenue to be recognized when control of the promised goods or services are transferred to customers at an amount that reflects the consideration that the Company expects to receive. Application of ASC 606 requires a five-step model applicable to all product offering revenue streams as follows: (1) Identify a customer along with a corresponding contract; (2) Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer; (3) Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer; (4) Allocate the transaction price to the performance obligation(s) in the contract; and (5) Recognize revenue when or as the Company satisfies the performance obligation(s).

Contract assets, as defined in ASC 606, include amounts that represent the right to receive payment for goods and services that have been transferred to the customer with rights conditional upon something other than the passage of time. Contract liabilities are defined in the standard to include amounts that reflect obligations to provide goods and services for which payment has been received. There are no contract assets or unsatisfied performance obligations as of December 31, 2021 and 2020.

The Company's contracts with customers for the sale of dried cannabis, cannabis oil and other cannabis related products may consist of multiple performance obligations. Revenue from the direct sale of cannabis to customers for a fixed price is recognized when the Company transfers control of the goods to the customer at the point of sale and the customer has paid for the goods. Revenue is measured based on the amount of consideration that the Company can expect to receive in exchange for those goods or services, reduced by promotional discounts and estimates for return allowances and refunds. Taxes collected from customers for remittance to governmental authorities are excluded from revenue.

For some of its locations, the Company offers a loyalty reward program to its dispensary customers. A portion of the revenue generated in a sale is allocated to the loyalty points

earned. The Company records a reduction in revenue and a liability based on the estimated probability of the point obligation incurred, calculated based on a standalone selling price of each point. Loyalty reward credits issued as part of a sales transaction results in revenue being deferred until the loyalty reward is redeemed by the customer. Loyalty points expire six months from award date and the Company expects outstanding loyalty points to be redeemed within six months.

The Company has three revenue streams: (i) cannabis retail (ii) cannabis wholesale; and (iii) other. The retail revenues are comprised of cannabis operations for medical and adult-use dispensaries. The Company's wholesale revenues are comprised of cannabis cultivation, processing, production and distribution of cannabis for medical and adult-use. The Company's other operations primarily include the Company's hemp/cannabidiol ("CBD") retail operations. Any intercompany revenue and any costs between entities are eliminated to arrive at consolidated totals.

The following table summarizes revenue disaggregated by revenue stream:

	Year Ended December 31,					
	2021			2020		
	Gross Revenue	Intercompany Revenue	Revenue to External Customers	Gross Revenue	Intercompany Revenue	Revenue to External Customers
Retail cannabis	\$ 195,085	\$ —	\$ 195,085	\$ 75,499	\$ —	\$ 75,499
Wholesale cannabis	29,969	(16,177)	13,792	6,639	(1,901)	4,738
Other	415	—	415	535	—	535
Eliminations	(16,177)	16,177	—	(1,901)	1,901	—
Consolidated revenue	\$ 209,292	\$ —	\$ 209,292	\$ 80,772	\$ —	\$ 80,772

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Costs of Goods Sold

Cost of goods sold includes the costs directly attributable to revenue recognition and includes compensation and fees for services, travel and other expenses for services and costs of products and equipment.

Operating Expenses

Operating expenses represent costs incurred at the Company's corporate and administrative offices, primarily related to: compensation expenses, including share-based compensation; depreciation and amortization; professional fees and legal expenses; marketing, advertising and selling costs; facility-related expenses, including rent and security; insurance; software and technology expenses; impairments; and acquisition and deal costs. Advertising and promotion costs are included as a component of operating expenses and are expensed as incurred.

Stock-Based Payment Arrangements

The Company accounts for stock-based compensation in accordance with the fair value recognition provisions of ASC 718 *Compensation – Stock Compensation*, which requires that all stock-based compensation to employees and non-employees, including grants of employee stock options, restricted stock awards ("RSAs") and compensatory warrants, be recognized as an expense in the consolidated financial statements based on their fair values over the vesting period. For the years ended December 31, 2021 and 2020, total stock-based compensation expense is included in operating expenses.

The fair value of stock options and compensatory warrants is estimated using the Black-Scholes option pricing formula that requires assumptions for expected volatility, expected dividends, the risk-free interest rate and the expected term. The Company accounts for forfeitures of stock-based grants as they occur. If any of the assumptions used in the Black-Scholes model or the anticipated number of shares to be awarded change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period. RSAs are measured at their grant date market value.

Equity-settled stock-based payments under stock-based payments plans are recognized as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period. No adjustment is made to any expense recognized in prior periods if vested stock options or warrant awards expire without being exercised.

Income Taxes

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

As the Company operates in the legal cannabis industry, the Company is subject to the limits of Internal Revenue Code ("IRC") Section 280E for US federal income tax purposes as well as state income tax purposes for all states except for California and Colorado. Under IRC Section 280E, the Company is only allowed to deduct expenses directly related to sales of product, i.e. the cost of producing the products or cost of production. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E.

In accordance with ASC 740 *Income Taxes*, a tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded.

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The Company is treated as a U.S. corporation for US federal income tax purposes under IRC Section 7874 and is subject to US federal income tax on its worldwide income. However, for Canadian tax purposes, the Company, regardless of any application of IRC Section 7874, is treated as a Canadian resident company (as defined in the Income Tax Act (Canada) for Canadian income tax purposes. As a result, the Corporation is subject to taxation both in Canada and the U.S.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement: (i) Level 1 – Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date; (ii) Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by the observable market data for substantially the full term of the assets or liabilities; (iii) Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Refer to Note 23 - Financial Instruments.

COVID-19

At the onset of the COVID-19 pandemic, the Company implemented new procedures at all operating locations to better protect the health and safety of its employees, medical patients, and customers across its network of dispensaries at the onset of the COVID-19 outbreak. Depending on the location, some of the initiatives include, but are not limited to: reducing the number of point-of-sale registers, restricting the number of people permitted in-store, limiting store hours to those most susceptible, and offering curbside pick-up. The Company has also directed a significant amount of traffic to its recently launched online educational tool and reservation platform, www.beyond-hello.com, which enables a medical patient or customer to view real-time pricing and product availability, and reserve products for convenient in-store pick-up at BEYOND / HELLO™ locations across Pennsylvania, Illinois, California, and Virginia. Although the Company's dispensaries and grower-processor facilities have remained open throughout the pandemic, the Company has experienced disruptions related to supply chains, labor supply and delays in expansion projects, and, in certain states, cannabis license applications, and may experience further disruptions as result of COVID-19. In particular:

- The Company may experience significant reductions or volatility in demand for its products as customers may not be able to purchase its products due to illness, quarantine or government or self-imposed restrictions placed on its dispensaries' operations or reduction in operational hours due to labor shortages;
- Inability to meet production demand if a particular grower-processor or section of the grower-processor is closed due to illness, quarantine or government or self-imposed restrictions placed on our facility operations or reduction in operational hours due to labor shortages;
- Social distancing measures or changes in consumer spending behaviors due to COVID-19 may impact traffic in the Company's dispensaries and such actions could result in a loss of sales and profit;
- The Company may experience temporary or long-term disruptions in its supply chain;
- Transportation delays and cost increases, closures or disruptions of businesses and facilities, or social, economic, political or labor instability, may impact the Company's or its suppliers' operations or its customers; and
- The Company may experience impairments of assets in markets that are disproportionately impacted by these and other effects of the COVID-19 pandemic.

To date, the Company's financial condition and results of operations have not been materially impacted by COVID-19. The extent to which the COVID-19 pandemic impacts the Company's future results will depend on future developments, which are highly uncertain and cannot be predicted with certainty, including possible future outbreaks of new strains of the virus and governmental and consumer responses to such future developments.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, "*Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments*" ("ASU 2016-13"), which replaces the incurred loss model with a current expected credit loss model and requires consideration of a broader range of reasonable and supportable information to explain credit loss estimates. Under the new standard, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Company is not required to track the changes in credit risk. The guidance must be adopted using a modified retrospective transition method through a cumulative-effect adjustment to retained earnings in the period of adoption. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "*Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*" ("ASU 2018-13"), which removes, modifies and adds certain disclosure requirements in Topic 820 "Fair Value Measurement". Per ASU 2018-13 certain disclosures are eliminated which relate to transfers and the valuations process, modifies disclosures for investments that are valued based on net asset value, clarifies the measurement uncertainty disclosure, and requires additional disclosures for Level 3 fair value measurements. ASU 2018-13 must be applied prospectively and is effective for the Company for fiscal years beginning after December 15, 2019. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

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In December 2019, the FASB issued ASU 2019-12 Income Taxes (Topic 740), which simplifies certain aspects of accounting for income taxes. The guidance is effective for interim and annual reporting periods beginning after December 15, 2020, and early adoption is permitted. The adoption of this ASU did not have a material effect on the Company's consolidated financial statements.

In June 2020, the FASB issued ASU 2020-06 *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. This ASU also removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and simplifies the diluted earnings per share calculation in certain areas. The amendments in this ASU are effective for annual and interim periods beginning

after December 15, 2021, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements for the convertible Promissory Notes issued at a discount and with a Beneficial Conversion Feature.

In May 2021, the FASB issued ASU 2021-04, “*Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*”—The FASB issued guidance to clarify and reduce diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2021, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on our consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The FASB issued guidance which require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. To achieve this, an acquirer may assess how the acquiree applied Topic 606 to determine what to record for the acquired revenue contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree’s financial statements (if the acquiree prepared financial statements in accordance with generally accepted accounting principles). The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2022, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on our consolidated financial statements.

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3. INVESTMENTS IN SECURITIES

A summary of investments in securities is as follows:

	Level within the Fair Value Hierarchy (Note 23)	December 31, 2021	December 31, 2020
Investments in mutual funds	Level 1	\$ —	\$ 5,783
Cresco shares and warrants	Level 1 & Level 2	—	2,151
Total investments in securities		\$ —	\$ 7,934

Investments in Mutual Funds

During the year ended December 31, 2021, the Company sold all of its investments in mutual funds and recognized gains of \$115. The Company owned 603,749 shares in mutual funds with a fair value of \$9.58 per share as of December 31, 2020. For the year ended December 31, 2020, the Company recognized a net investment loss of \$451.

Cresco Shares and Warrants

In October 2019, as consideration for its sale of its 16.5% equity investment in Gloucester Street Capital, LLC (“GSC”), the parent company of New York state licensed cannabis operator Valley Agriceuticals, LLC, to Cresco Labs Inc. “Cresco”), the Company was issued 7,180 of Cresco proportionate voting shares (which were converted in January 2020 into a total of 1,436,000 subordinate voting shares), 1,657 warrants for proportionate voting shares (which were convertible into 331,400 warrants for subordinate voting shares) and received short-term secured notes (the “Cresco Notes”) and cash. During the year ended December 31, 2020, the Company received payment of \$5,193 for the Cresco Notes and was also granted 330 proportionate voting shares (which were subsequently converted on a 200:1 basis into 66,000 subordinate voting shares) as payment for the interest accrued and recognized \$66 in related investment losses.

During the year ended December 31, 2020, the Company sold the majority of its Cresco subordinate voting shares for aggregate proceeds of \$13,404. As of December 31, 2020, the Company owned a remaining 24,600 subordinate voting shares with a fair value of \$9.87 each, for a total of \$243, and the Cresco warrants were valued at \$1,908. The fair value of the tradable shares was determined based on the share price. The fair value of the warrants was determined based on a Black-Scholes model using the following assumptions:

	December 31, 2020
Quoted market price	\$9.87
Strike price	\$4.24
Estimated life	0.75 years
Volatility	70%
Risk-free interest rate	0.10%
Dividend rate	—%

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The Company recognized net investment losses of \$1,550 relating to the Cresco subordinate voting shares and warrants during the year ended December 31, 2020. The warrants had cumulative unrealized gains of \$1,085 relating to securities still held by the Company as of December 31, 2020.

During the year ended December 31, 2021, the Company net exercised the warrants and received 207,599 Cresco subordinate voting shares. The Company subsequently sold all its outstanding Cresco shares during the year ended December 31, 2021.

The Company is also eligible to receive certain contingency payouts of up to a total \$1,650 in cash plus 440,000 Cresco shares, from the sale of its minority interest in GSC, which are tied to both the performance of the GSC operations as well as the development of the New York market. The Company records a gain contingency at the earlier of

when the contingency is realized or becomes realizable. As of December 31, 2021 and 2020, the Company had not recognized a receivable as the gain contingency was not determined to be realizable.

Organigram

During the year ended December 31, 2020, the Company realized \$407 in investment losses when it sold the Organigram, Inc. (“OGI”) shares received in connection with the acquisition of two dispensaries in Illinois in 2020 (refer to Note 7 - Acquisitions).

Refer to Note 9 - Other Non-Current Assets for a non-current equity investment.

4. INVENTORIES

The components of inventories, net, are as follows:

	December 31, 2021	December 31, 2020
Cannabis plants	\$ 6,347	\$ 1,553
Harvested cannabis	5,180	1,454
Total raw materials	\$ 11,527	\$ 3,007
Work in process	8,756	996
Finished goods	23,036	7,942
Total inventories, net	\$ 43,319	\$ 11,945

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The components of prepaid expenses and other current assets are as follows:

	December 31, 2021	December 31, 2020
Prepaid expenses and deposits	\$ 3,837	\$ 3,318
Landlord receivables for leasehold improvements	7,357	806
Employee receivable	248	—
Other current assets	1,433	567
Total prepaid expenses and other current assets	\$ 12,875	\$ 4,691

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6. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment (PP&E) and accumulated depreciation are as follows:

	December 31, 2021	December 31, 2020
Buildings and building components	\$ 49,697	\$ 6,679
Land	12,380	1,994
Leasehold improvements	24,042	22,261
Machinery and equipment	12,656	1,218
Computer equipment	2,221	770
Furniture and fixtures	8,000	3,405
Construction-in-process	35,625	4,351
Total property, plant and equipment - gross	\$ 144,621	\$ 40,678
Less: Accumulated depreciation	(7,341)	(2,059)
Total property, plant and equipment - net	\$ 137,280	\$ 38,619

Construction-in-process (“CIP”) represents assets under construction for manufacturing and retail build-outs not yet ready for use.

For the years ended December 31, 2021 and 2020, total depreciation, including depreciation from assets held under finance leases (which are reflected separately in the consolidated balance sheets), was \$8,808 and \$2,293, respectively, of which \$4,970 and \$341, respectively, was absorbed into inventory production. Interest expense capitalized to PP&E totaled \$977 and \$1,074 for the years ended December 31, 2021 and 2020, respectively.

For the year ended December 31, 2021, the Company recognized fixed asset impairment charges of \$4,451 related to construction-in-process and land for Jushi Europe, which the Company determined will no longer be used and were an insignificant part of the Company’s business. Refer to Note 17 - Non-Controlling Interests for additional information.

7. ACQUISITIONS

2021 Business Combinations and Asset Acquisitions

The Company had the following acquisitions during the year ended December 31, 2021: (i) Nature’s Remedy; (ii) OSD; (iii) OhiGrow; and (iv) Grover Beach (all defined below).

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The following table summarizes the purchase price allocations as of their respective acquisition dates:

	Business Combinations		Asset Acquisitions		
	Nature's Remedy	OSD	OhiGrow	Grover Beach	Total
Assets Acquired:					
Cash and cash equivalents	\$ 3,195	\$ 259	\$ —	\$ —	\$ 3,454
Prepays	325	53	—	—	378
Accounts receivable, net	263	—	—	—	263
Inventory	15,882	184	—	—	16,066
Indemnification assets ⁽¹⁾	1,322	1,411	—	—	2,733
Property, plant and equipment	19,470	—	3,165	269	22,904
Right-of-use assets - finance leases	27,305	—	—	2,050	29,355
Right-of-use assets - operating leases	1,337	1,859	—	—	3,196
Intangible assets - license ⁽²⁾	46,000	2,160	1,817	3,654	53,631
Intangible assets - tradenames ⁽²⁾	4,400	—	—	—	4,400
Intangible assets - customer database ⁽²⁾	2,100	—	—	—	2,100
Deposits	20	6	—	19	45
Total assets acquired	\$ 121,619	\$ 5,932	\$ 4,982	\$ 5,992	\$ 138,525
Liabilities Assumed:					
Accounts payable and accrued liabilities	\$ 7,004	\$ 1,601	\$ —	\$ —	\$ 8,605
Finance lease obligations	27,052	—	—	2,032	\$ 29,084
Operating lease obligations	1,267	1,859	—	—	\$ 3,126
Deferred tax liabilities	19,876	648	—	—	\$ 20,524
Total liabilities	\$ 55,199	\$ 4,108	\$ —	\$ 2,032	\$ 61,339
Net assets acquired	\$ 66,420	\$ 1,824	\$ 4,982	\$ 3,960	\$ 77,186
Goodwill	33,178	2,432	—	—	35,610
Total	\$ 99,598	\$ 4,256	\$ 4,982	\$ 3,960	\$ 112,796
Consideration:					
Consideration paid in cash, as adjusted for working capital adjustments	\$ 40,360	\$ 1,827	\$ 4,949	\$ 3,592	\$ 50,728
Consideration paid in promissory notes (fair value) ⁽³⁾	15,345	2,429	—	—	\$ 17,774
Consideration paid in shares	35,670	—	—	368	\$ 36,038
Contingent consideration	8,223	—	—	\$ —	\$ 8,223
Capitalized costs	—	—	33	\$ —	\$ 33
Fair value of consideration	\$ 99,598	\$ 4,256	\$ 4,982	\$ 3,960	\$ 112,796

- (1) As part of the OSD and Nature's Remedy acquisition agreements, the sellers contractually agreed to indemnify the Company for certain amounts that may become payable, including for taxes that relate to periods prior to the date of acquisition. Accordingly, the Company recorded indemnification assets and corresponding estimated accrued tax liabilities, at fair value, for a total of \$2,733 as of the dates of the acquisitions. The range of total estimated potential indemnification assets is from \$0 to \$6,322; however, there is no limit on the Nature's Remedy indemnification asset. Additional subsequent changes in the amounts recognized for the indemnification assets may occur in relation to the provision for the corresponding tax liabilities, according to changes in the range of outcomes or the assumptions used to develop the estimates of the liabilities at the time of the acquisition.
- (2) The licenses acquired have indefinite useful lives. The customer relationships have a useful life of 15 years and the tradenames have a useful life of 5 years.
- (3) Refer to "Promissory Notes Payable" in Note 11 - Debt for details on the seller notes.



2021 Business Combinations

Nature's Remedy

On September 10, 2021, the Company acquired 100% of the equity of Nature's Remedy of Massachusetts, Inc. pursuant to a merger and certain of its affiliates pursuant to member interest purchases (collectively, "Nature's Remedy"), for upfront consideration comprised of cash, net of working capital adjustments, 8,700,000 subordinate voting shares (with a grant date fair value of \$4.10 each), an \$11,500 unsecured three-year note and a \$5,000 unsecured five-year note. Refer to "Promissory Notes Payable" in Note 11 - Debt for details on the seller notes.

Nature's Remedy is a vertically integrated single state operator in Massachusetts and currently operates two retail dispensaries, in Millbury, MA and Tyngsborough, MA, and a 50,000 sq. ft. cultivation and production facility in Lakeville, MA. The goodwill is not tax deductible.

The Company also agreed to issue a \$5,000 increase to the principal balance of the three-year note and up to an additional \$5,000 in Company Subordinate Voting Shares ("SVS") upon the occurrence or non-occurrence of certain events after the closing date. The payment of the contingent consideration depends on whether or not a competitor opens a competing dispensary within a certain radius of the Company's dispensary in the Town of Tyngsborough, MA during the first 12 months following the acquisition (The "First Milestone Period") or during the 18 months following the end of the First Milestone Period. As of the date of acquisition, the Company recognized a contingent consideration liability of \$8,223, a Level 3 measurement amount (refer to Note 23 - Financial Instruments), which was based on the weighted-average probability of the

potential outcomes. The estimated range of such additional consideration is between \$0 and \$10,800 (which also includes the interest on the additional principal for the three-year note). Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred for the business combination. Contingent consideration that is classified as a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in the consolidated statements of operations and comprehensive income (loss). There was no change in the fair value of the contingent consideration from the date of acquisition through December 31, 2021.

OSD

On April 30, 2021, the Company acquired 100% of the equity of Organic Solutions of the Desert, LLC (“OSD”), an operating dispensary located in Palm Springs, California, for consideration comprised of cash, as adjusted for working capital adjustments, and \$3,100 principal amount of promissory notes. Refer to “Promissory Notes Payable” in Note 11 - Debt for details on the seller notes. The goodwill is not tax deductible.

Preliminary Purchase Price Allocations for Business Combinations

The consideration has been allocated to the estimated fair values of the assets acquired and liabilities assumed at the dates of the acquisitions and remain preliminary as of December 31, 2021. These estimated fair values involve significant judgement and estimates. The primary areas of judgement involved are the valuation of the intangible assets acquired, which requires management to estimate value based on future cash flows from these assets. The primary areas of the preliminary purchase price allocations that are not yet finalized relate to: intangible assets acquired, property, plant and equipment, indemnification assets, contingent consideration, deferred tax liabilities, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired as of the respective acquisition dates during the measurement period.

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2021 Asset Acquisitions

The Company determined that the OhiGrow and Grover Beach acquisitions described below did not qualify as business combinations because, for OhiGrow, the assets acquired did not constitute a business, and for Grover Beach, under the concentration test, substantially all of the fair value of the acquisition is concentrated in a single identifiable asset – the license.

OhiGrow

In July 2021, the Company acquired OhiGrow, LLC, a licensed cultivator in Ohio, and Ohio Green Grow LLC (collectively, “OhiGrow”), inclusive of an approximately 10,000 sq. ft. facility and 1.35 acres of land.

Grover Beach

On March 4, 2021, the Company closed on the acquisition of approximately 78% of the equity of a retail license holder located in Grover Beach, California (“Grover Beach”) for \$3,592 in cash, as adjusted for working capital adjustments, and 49,348 SVS at a fair value of \$7.46 per share, with the rights to acquire the remaining equity for \$1 in the future.

2020 Business Combinations and Asset Acquisitions

The Company had the following acquisitions during the year ended December 31, 2020: (i) PAMS; (ii) PADS; (iii) BHIL; (iv) GSG Santa Barbara; and (v) Agape (all defined below).

The following table summarizes the purchase price allocations for the acquisitions completed during the year ended December 31, 2020, as of their respective acquisition dates:

	Business Combinations			Asset Acquisitions		
	PAMS	PADS	BHIL	Agape	GSG Santa Barbara	Total
Cash and cash equivalents	\$ 118	\$ 971	\$ 13	\$ —	\$ —	\$ 1,102
Prepaid expenses and other current assets	214	5	84	10	—	313
Accounts receivable	407	—	—	—	—	407
Inventory	4,251	192	100	—	—	4,543
Property, plant and equipment	579	1,075	465	—	—	2,119
Right of use assets - finance leases	15,017	234	466	—	—	15,717
Right of use assets - operating leases	—	310	877	—	—	1,187
Intangible assets - license(s) ⁽¹⁾	19,189	4,182	8,500	7,881	5,328	45,080
Intangible assets - patient/customer database ⁽¹⁾	425	—	—	—	—	425
Deposits	540	15	—	—	—	555
Total assets	\$ 40,740	\$ 6,984	\$ 10,505	\$ 7,891	\$ 5,328	\$ 71,448
Accounts payable, accrued expenses and other current liabilities	\$ 335	\$ 156	\$ 585	\$ —	\$ —	\$ 1,076
Note payable	—	—	—	90	—	90
Finance lease obligations	17,013	230	465	—	—	17,708

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	Business Combinations			Asset Acquisitions		
	PAMS	PADS	BHIL	Agape	GSG Santa Barbara	Total
Operating lease obligations	—	310	877	—	—	1,187
Deferred tax liabilities	1,410	—	—	—	—	1,410
Total liabilities	\$ 18,758	\$ 696	\$ 1,927	\$ 90	\$ —	\$ 21,471
Net assets acquired	\$ 21,982	\$ 6,288	\$ 8,578	\$ 7,801	\$ 5,328	\$ 49,977
Non-controlling interests	—	—	(4,661)	(1,560)	—	(6,221)
Total net assets acquired net of non-controlling interest	\$ 21,982	\$ 6,288	\$ 3,917	\$ 6,241	\$ 5,328	\$ 43,756
Consideration paid in cash, as adjusted for working capital adjustments ⁽²⁾	\$ 15,054	\$ 5,671	\$ 2,692	\$ 3,050	\$ 4,900	\$ 31,367
Capitalized acquisition costs	—	—	—	191	428	619
Fair value of PADS purchase option	—	1,992	—	—	—	1,992
Consideration paid in 10% senior notes ⁽³⁾	—	—	—	1,476	—	1,476
Consideration paid in warrants ⁽³⁾	—	—	—	524	—	524
Consideration paid in promissory notes (net of discount) ⁽⁴⁾	2,658	—	—	—	—	2,658
Assumption of Beacon Notes and accrued interest	—	—	9,555	—	—	9,555
Net effect of other related transactions	—	—	(15,740)	—	—	(15,740)
Consideration paid in shares	—	—	—	1,000	—	1,000
Fair value of consideration	\$ 17,712	\$ 7,663	\$ (3,493)	\$ 6,241	\$ 5,328	\$ 33,451
Goodwill	\$ —	\$ 1,375	\$ —	\$ —	\$ —	\$ 1,375
Bargain purchase on business combination ⁽⁵⁾	4,270	—	7,410	—	—	11,680
Total	\$ 21,982	\$ 6,288	\$ 3,917	\$ 6,241	\$ 5,328	\$ 43,756

(1) The licenses acquired have indefinite useful lives. The patient/customer related intangible assets have estimated useful lives of 0.25 - 5 years.

(2) Cash paid for acquisitions includes \$2,320 that was paid during prior years and was previously included in deferred acquisition costs as of December 31, 2019.

(3) The consideration for the Agape acquisition included 10% senior notes amounting to \$2,000 principal, and related warrants to purchase 0.6 million Subordinate Voting Shares with a \$1.25 strike price; and 769,231 Subordinate Voting Shares at a closing date market price of \$1.30 per share. Refer to “Senior Notes” in Note 11 - Debt and to Note 13 - Derivative Liabilities for additional details on the 10% senior secured notes and warrants.

(4) Refer to “Promissory Notes Payable” in Note 11 - Debt for details on the seller note.

(5) The bargain purchase gain for BHIL was reduced by asset disposal and other charges of \$1,531 to arrive at the total net gain on business combination. The net gains on business combinations are included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss). The asset disposal and other adjustments, were comprised of net write-offs/impairments of \$1,681 reflecting the excess of the carrying amounts over the estimated fair values of intangible assets returned to TGS (included as other consideration in the TGS Transaction), offset by other adjustments of \$150.

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2020 Business Combinations

PAMS

On August 11, 2020, the Company closed on the acquisition of 100% of the equity of Pennsylvania Medical Solutions, LLC, a Pennsylvania grower-processor (“PAMS”). The acquisition increased the Company’s presence in Pennsylvania and expanded its supply of cannabis to the BEYOND/HELLOTM retail stores. The estimated fair value of the license was determined using the multi-period excess earnings method under the income approach based on projections extended to 2025 assuming a 3% long-term revenue growth rate. The estimated fair value of the customer relationships was determined using the with-and-without method. The Company purchased PAMS at a favorable price due to the seller’s financial condition and limited sources of funding, which resulted in a bargain purchase gain which is reflected in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

Prior to closing, in July 2020, the Company entered into an agreement to loan \$3,000 to the previous owner of PAMS, which was secured by a first priority lien on, and continuing security interest in Pennsylvania Dispensary Solutions, LLC (“PADS”). The loan bore interest at 12% and the \$3,000 was included at closing in the cash purchase price.

PADS

At the time of the PAMS acquisition, as part of the agreements with Vireo Health, Inc (“Vireo”), the seller of PAMS, Jushi received an assignable purchase option (“PADS Purchase Option”) to acquire 100% of the equity of PADS. The PADS Purchase Option had an expiration date of 18 months from closing, and was subject to certain customary closing conditions, including approvals from all applicable regulatory authorities. On November 13, 2020, the Company exercised the PADS Purchase Option and on December 18, 2020, the Company closed on the purchase of 100% of the equity interests of PADS from Vireo.

PADS increased the Company’s retail footprint in Pennsylvania, where PADS is a medical marijuana dispensary permit holder with two dispensaries operating in Bethlehem and Scranton. The goodwill recognized from the acquisition is attributable to synergies expected from integrating PADS into the Company’s existing business. The goodwill acquired is not deductible for tax purposes.

The cash consideration allocated to the PADS Purchase Option was \$1,553 based on the relative fair values of the net assets acquired in the PAMS acquisition and the PADS Purchase Option as of August 11, 2020. The difference between the purchase price allocated to the PADS Purchase Option and its fair value at the time of its exercise was a gain of \$440 and is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2020. The fair value of the PADS Purchase Option was estimated using a Black Scholes option pricing model which included the following assumptions:

	December 18, 2020
Fair value of PADS Purchase Option	\$ 1,992
Strike price	\$ 5,000
Spot price (estimated enterprise value of PADS)	\$ 5,158
Risk-free annual interest rate	0.16%
Volatility	80%
Estimated term	1.5 years

The estimated enterprise value of PADS was estimated using a 5-year discounted cash flow analysis using a cost of capital of 29%, and a terminal value at the end of the explicit projection period using the Gordon Growth Model and is considered to be a Level 3 measurement.

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The estimated fair value of the PADS license was determined using the multi-period excess earnings method under the income approach based on projections extended to 2030 assuming a 3% long-term revenue growth rate.

TGS Transaction - Beyond Hello IL Holdings, LLC ("BHIL") (f/k/a TGS Illinois Holdings LLC ("TGSIH"))

On January 29, 2020, the Company acquired an approximately 75% interest in TGS Illinois Holdings LLC (currently known as Beyond Hello IL Holdings, LLC) (the "TGS Transaction"), and became the owner of two medical cannabis dispensaries in Illinois - one in Sauget, and one in Normal, with each dispensary eligible to seek approval from the Illinois Department of Financial & Professional Regulation to open a second retail location. On April 22, 2020, the names of the entities were changed to Beyond Hello IL Holdings, LLC, and Beyond Hello IL, LLC, which were approved by the State of Illinois.

Due to legalization of adult-use cannabis in the state of Illinois which became effective January 1, 2020, the purchase of BHIL resulted in a bargain purchase gain. The bargain purchase gain is reflected in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

The estimated fair value of the licenses acquired was determined using the multi-period excess earnings under the income method based on projections extended to 2025 assuming a 3% long-term revenue growth rate and a discount rate of 12%. The estimated fair value of the customer relationships was determined using the with-and-without method.

The fair value of the non-controlling interests was based on the fair value of the consideration paid to purchase the non-controlling interests (the "TGSIH NCI Transaction"). Refer to Note 17 - Non-Controlling Interests.

The TGSIH acquisition was a part of a series of transactions under a favorable settlement agreement between the Company and its respective affiliates, and The Green Solution and its respective affiliates and their owners ("TGS"). The transactions included: (1) the transfer to the Company of approximately 75% interest in the TGSIH units; (2) the Company's assumption and/or payoff of approximately \$12,000 in TGS debt including interest and expenses relating to the debt (see below); (3) the Company returning its 51% majority stake in TGS National Holdings, LLC ("TGS National") to TGS and terminating the 2018 purchase agreement for TGS National which included certain restrictive covenants, employment agreements and exclusive intellectual property licenses in Jushi's favor; (4) the return to the Company and cancellation of the 5,000,000 Subordinate Voting Shares of Jushi Holdings, Inc. and warrants with an exercise price of \$2.00 to purchase 2,500,000 Subordinate Voting Shares of Jushi Holdings, Inc. which were issued in connection with the 2018 purchase of TGS National; and (5) the transfer to Jushi Inc of 416,060 common shares of Organigram, Inc. ("OGI") and cash from the liquidation of certain options to purchase common shares of OGI.

The approximately \$12,000 in TGS debt noted above includes approximately \$2,442 of debt payable to a third party and interest paid off by the Company, which was included in the cash paid at closing, and \$9,555 of debt which was negotiated with the holder to be exchanged for Jushi Holdings Inc. Senior Notes and warrants. The \$9,555 was comprised of secured notes of an affiliate of TGS, Beacon Holding, LLC (the "Beacon Notes"), plus unpaid accrued interest. The carrying amount of the debt and unpaid accrued interest approximated the fair value. Refer to "Senior Notes" in Note 11 - Debt for further details on the Company's Senior Notes and the related warrants.

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The net effect of other related transactions from the TGS Transaction, as reflected in the purchase price allocation table above, was comprised of the following:

Redemption Liability cancelled	\$ 8,440
5,000,000 Subordinate Voting Shares of Jushi Holdings, Inc. and warrants with an exercise price of \$2.00 to purchase 2,500,000 Subordinate Voting Shares of Jushi Holdings, Inc. returned to Jushi	7,075
416,060 common shares of OGI	1,092
Payment to Jushi for the OGI options that were liquidated	478
TGS National fair value of intangibles, net of other items returned and derecognized ⁽¹⁾⁽²⁾	(918)
TGS National cash given up	(427)
Net effect of other related transactions	\$ 15,740

(1) The difference of \$1,748, net of other adjustments of \$217, between the carrying amount of the disposed intangibles of \$2,666 (refer to Note 8 - Goodwill and Other Intangible Assets) and the fair value above of \$918 was a total of \$1,531 and is included in net gains on business combinations in the consolidated statements of operations and comprehensive income (loss).

(2) No goodwill associated with TGS National was written off as a result of this transaction in 2020, since the Company had previously recognized an impairment loss of \$8,990 in 2018 related to the total goodwill associated with the original acquisition of TGS National.

The fair values of the Jushi Holdings, Inc. shares and OGI shares were based on the closing market price as of the date of the transaction and the fair value of the Jushi Holdings,

Inc. warrants was calculated using a Black-Scholes model with the following assumptions: stock price of \$1.28 (market price); exercise price of \$2.00; estimated term 1.35 years; volatility 76%; risk-free rate 1.46%. The fair value of the Jushi securities was accounted for as a reduction to equity. The TGS National net assets returned consisted primarily of cash and intangibles. The fair value of the intangibles returned was calculated using a discounted cash flow model using a discount rate of 12%, a growth rate of zero, and estimated useful lives ranging from 9 - 11 years.

Redemption Liability

At the time of the original acquisition of 51% of TGS National by the Company in 2018, the Company had the exclusive right to purchase the remaining 49% of TGS National for a period of 30 months from the Closing Date (the "Option Period"). The consideration to be paid for this purchase option (the "Redemption Liability") was \$8,500. As a result of the TGS Transaction, the Redemption Liability was cancelled.

The Redemption Liability was initially recorded at fair value and was estimated using the present value of the estimated future purchase price and was therefore considered to be a Level 3 measurement. The adjusted present value of the Redemption Liability was \$8,440 as of the date of the TGS Transaction in 2020. The total change in the redemption liability for the year ended December 31, 2020 was insignificant.

2020 Asset Acquisitions

The Company determined that The GSC Santa Barbara and Agape acquisitions below did not qualify as business combinations under ASC 805 *Business Combinations*, because the assets acquired did not constitute a business, as substantially all of the fair value of each of the acquisitions is concentrated in a single identifiable asset – the license.

GSG Santa Barbara

On July 24, 2020, the Company closed on the acquisition of 100% of the equity of GSG SBCA, Inc. ("GSG Santa Barbara"), a non-operating provisionally licensed Santa Barbara, California dispensary operator for a total purchase price of \$4,900 in cash, of which \$2,250 was paid in the prior year. The GSG Santa Barbara dispensary commenced retail operations on October 14, 2020.

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Agape

On June 25, 2020, the Company closed on the acquisition of 80% of the economic and voting interests in Agape Total Health Care Inc ("Agape"), a Pennsylvania Dispensary Permittee, for consideration in cash and shares. Agape has opened and operates three retail locations in Pennsylvania: one in Philadelphia, one in Reading and one in Pottsville.

Business Combinations - Acquisition and Deal Costs

For the years ended December 31, 2021 and 2020 acquisition and deal costs relating to business combinations totaled \$350 and \$502 and are included within the selling, general and administrative expenses in the consolidated statements of operations and comprehensive income (loss). The remaining acquisition and deal costs, which are included in operating expenses (refer to Note 19 - Operating Expenses), were incurred either for acquisitions not completed or not expected to be completed.

Business Combinations Acquisition Results and Unaudited Supplemental Pro Forma Financial Information

The following table summarizes consolidated proforma revenue and consolidated proforma net income (loss) as if the 2021 business combinations had occurred at the beginning of the year prior to their actual acquisition:

	Year Ended December 31,	
	2021	2020
Revenue	\$ 239,937	\$ 114,622
Net income (loss)	\$ 12,823	\$ (223,827)

These unaudited pro forma financial results do not purport to be indicative of the actual results that would have been achieved by the combined companies for the years indicated, or of the results that may be achieved by the combined companies in the future. These amounts have been calculated using actual results and adding pre-acquisition results, after adjusting for: acquisition costs, additional depreciation and amortization from acquired property, plant and equipment and intangible assets, as well as adjustments for incremental interest expense relating to consideration paid, and changes to conform to the Company's accounting policies.

The following table summarizes revenue and net (loss) income for the 2021 acquisitions from the respective acquisition dates through December 31, 2021:

	Nature's Remedy	OSD	Total
Revenue	\$ 13,870	\$ 1,237	\$ 15,107
Net (loss) income	\$ 2,334	\$ (503)	\$ 1,831

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The following table summarizes revenue and net (loss) income for the 2020 acquisitions from the respective acquisition dates through December 31, 2020:

PAMS	PADS	BHIL	Total

Revenue	\$ 3,048	\$ 113	\$ 33,203	\$ 36,364
Net (loss) income	\$ (188)	\$ (85)	\$ 7,940	\$ 7,667

The above results are after the elimination of intercompany transactions.

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill are as follows:

Goodwill, carrying amount, as of January 1, 2020	\$ 17,888
Additions from new business combinations	1,375
Impairment of goodwill - MEND	(170)
Goodwill, carrying amount, as of December 31, 2020	\$ 19,093
Additions from new business combinations	35,610
Impairment of goodwill - FBS Nevada	(1,783)
Goodwill, carrying amount, as of December 31, 2021	\$ 52,920

Goodwill Impairments

During the year ended December 31, 2021, management determined that the lower than expected operating results of the Company's Nevada operations was an indicator of impairment. The Company utilized the discounted cash flow method for its impairment test, and as a result, recorded a goodwill impairment charge of \$1,783. The key inputs and assumptions used in the fair valuation of Nevada include: (i) a five-year cash flow forecast, which is based on the Company's actual operating results and business plans; (ii) a perpetual growth rate of 3%; and (iii) an estimated discount rate of 16.5%. The goodwill impairment is recorded within operating expenses in the consolidated statements of operations and comprehensive income (loss).

During the year ended December 31, 2020, the Company entered into a confidential settlement agreement with certain parties, including the former owner of Medicinal Excellence for Neurological Disorders, LLC ("MEND"), a business acquired by the Company in 2018. As a result, the Company recognized a loss on settlement of \$2,217 (including the write-off of certain intangibles - refer to *Other Intangible Assets* below) and wrote-off goodwill of \$170. The loss on settlement and the goodwill impairment are both recorded in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

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Other Intangible Assets

The components of other intangible assets are as follows:

	December 31, 2021	December 31, 2020	Estimated Useful Life
Licenses	\$ 164,662	\$ 111,030	Indefinite
Intellectual Property	9,580	9,580	10 years
Tradenames	10,200	5,800	1 - 15 years
Patient/Customer Database	2,795	695	5 - 10 years
Non-compete	155	155	3 years
Website development	61	61	3 years
Formulations	50	50	Indefinite
Total gross amount	\$ 187,503	\$ 127,371	
Less: Accumulated Amortization	(5,037)	(3,059)	
Other Intangible Assets, net	\$ 182,466	\$ 124,312	

Amortization expense for the years ended December 31, 2021 and 2020 was \$1,977 and \$2,202, respectively, and is included in operating expenses in the consolidated statements of operations and comprehensive income (loss).

For the years ended December 31, 2021 and 2020, all additions to intangible assets were from acquisitions. For the year ended December 31, 2020, the Company had net disposals of intangible assets of \$2,666 as a result of the TGS Transaction (BHIL). Refer to Note 7 - Acquisitions. Additionally, during the year ended December 31, 2020, the Company recorded a net disposal of patient databases of \$771, which is included in the loss on settlement discussed in *Goodwill Impairment* above.

The estimated future annual amortization expense related to intangible assets as of December 31, 2021 is as follows:

2022	\$ 2,653
2023	2,626
2024	2,604
2025	2,572
2026	2,572
Thereafter	4,727
Total estimated future amortization expense	\$ 17,754

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9. OTHER NON-CURRENT ASSETS

The components of other non-current assets are as follows:

	December 31, 2021	December 31, 2020
Operating lease assets	\$ 17,288	\$ 6,075
Deposits - equipment	4,315	768
Deposits and escrows - properties	1,343	1,630
Indemnification assets	2,733	—
Equity investment	1,500	1,500
Employee receivables and accrued interest (Refer to Note 21 - Related Party Transactions)	—	2,470
Net deferred tax assets (Refer to Note 16 – Income Taxes)	—	249
Other	407	224
Total other non-current assets	<u>\$ 27,586</u>	<u>\$ 12,916</u>

Equity Investment

In December 2020, the Company entered into a lease agreement with a lessor, PV Culver City, LLC, formerly known as Pacific Oakmark TBird, (“PVLLC”). In connection with the lease, and to assist PVLLC in the purchase of the leased property from a third party, the Company contributed \$1,500 to PVLLC in exchange for Class C Member shares, or a 23.08% ownership interest. The Company does not have significant influence over, and the Company does not have the right to vote or participate in the management of the PVLLC and therefore the investment is measured at its fair value. The fair value as of December 31, 2021 approximated the initial fair value as there was no change to the business from the date of acquisition through December 31, 2021.

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The components of accrued expenses and other current liabilities are as follows:

	December 31, 2021	December 31, 2020
Accrued capital expenditures	\$ 17,599	\$ 2,177
Goods received not invoiced	8,007	2,625
Accrued employee related expenses and liabilities	6,062	2,303
Accrued professional and management fees	5,139	638
Accrued sales and excise taxes	2,535	1,399
Accrued interest	1,181	45
Deferred revenue (loyalty program)	1,427	935
Operating lease obligations - current portion	2,745	314
Other accrued expenses and current liabilities	3,277	920
Total	<u>\$ 47,972</u>	<u>\$ 11,356</u>

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11. DEBT

The components of the Company’s debt are as follows:

	Year Ended December 31,	
	2021	2020
Principal amounts:		
10% Senior Notes	\$ 75,193	\$ 83,327
Acquisition Facility	40,000	—
Acquisition-related promissory notes payable	25,767	7,782
Other debt	11,728	3,765
Total debt - principal amounts	<u>\$ 152,688</u>	<u>\$ 94,874</u>
Less: debt issuance costs and original issue discounts	(23,536)	(36,124)
Total debt - carrying amounts	<u>\$ 129,152</u>	<u>\$ 58,750</u>
Debt - current portion	<u>\$ 6,181</u>	<u>\$ 1,659</u>
Debt - non-current portion	<u>\$ 122,971</u>	<u>\$ 57,091</u>

As of December 31, 2021, aggregate future contractual maturities of the Company’s debt are as follows:

	2022	2023	2024	2025	2026	Thereafter	Total
Senior Notes	\$ —	\$ 75,193	\$ —	\$ —	\$ —	\$ —	\$ 75,193
Acquisition Facility	—	—	3,000	4,000	33,000	—	40,000
Acquisition-related promissory notes payable ⁽¹⁾	2,417	—	15,250	—	5,000	3,100	25,767
Other debt	3,764	156	147	107	113	7,441	11,728
Total	<u>\$ 6,181</u>	<u>\$ 75,349</u>	<u>\$ 18,397</u>	<u>\$ 4,107</u>	<u>\$ 38,113</u>	<u>\$ 10,541</u>	<u>\$ 152,688</u>

(1) The Promissory Note that matures in 2022 is a mandatorily convertible note that will be settled in 910,000 shares. Refer to *Promissory Notes - Dalitso* under *SENIOR NOTES* below.

Interest expense, net is comprised of the following:

	Year Ended December 31,	
	2021	2020
Interest and accretion - 10% Senior Notes	\$ 19,257	\$ 12,095
Interest - finance lease liabilities	9,158	2,451
Interest and accretion - promissory notes	1,802	1,903
Interest and accretion - Acquisition Facility	1,106	—
Interest and accretion - other debt	507	189
Capitalized interest	(977)	(1,074)
Total interest expense	\$ 30,853	\$ 15,564
Interest income	\$ (243)	\$ (231)
Total interest expense, net	\$ 30,610	\$ 15,333

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SENIOR NOTES

A summary of the carrying amounts of the Company's 10% senior notes due January 15, 2023 ("Senior Notes") is as follows:

	December 31, 2021	December 31, 2020
Senior Notes - public ⁽¹⁾	\$ 68,218	\$ 76,352
Senior Notes - private	6,975	6,975
Senior Notes - principal amount	\$ 75,193	\$ 83,327
Less: amounts to accrete (from original issue discount and bifurcation of warrants)	(18,995)	(34,133)
Less: deferred transaction costs, net	—	(317)
Total Senior Notes - carrying amount	\$ 56,198	\$ 48,877

(1) The public notes are listed under the symbol "JUSH.DB.U" and were deemed to be tradable at approximately the principal amount as of December 31, 2021 and 2020.

The Senior Notes bear interest at 10% per annum, payable in cash quarterly on March 31, June 30, September 30 and December 31 of each year to, but excluding, the maturity date of the Notes, which is January 15, 2023. The notes are classified as non-current liabilities in the consolidated balance sheets.

Issuances of Senior Notes

The Senior Notes were originally issued between December 2019 and July 2020. During the first quarter of 2020, the Company closed on the first tranche of the Company's debt offering (a private placement) announced in December 2019 ("Tranche 1") and then also closed on the second tranche of the Company's debt offering (a private placement), in June and July of 2020 ("Tranche 2").

There were two financing structures offered in connection with the Tranche 1 offering. The first structure was comprised of Senior Notes which were issued with warrants to acquire Subordinate Voting Shares of the Company ("Warrant Notes") at 75% coverage of the principal amount divided by the original strike price of the warrants. The warrants were issued by the Company in connection with, but were detached from, the Company's issuance of the Senior Notes. The original exercise price of these warrants was \$1.58 but was subsequently adjusted for a "down-round" to \$1.25. Refer to Note 14 - Equity for additional information. The second structure was comprised of Senior Notes with no warrants but issued at a discount of approximately 17% ("OID Notes"). The Tranche 2 offering of the Private Senior Notes was comprised of only Warrant Notes, with warrants at 75% coverage.

The original carrying amounts of the Warrant Notes were calculated as the total fair value (cash amount received) less amounts bifurcated and allocated to the warrants. The initial total value of the warrants that were issued with senior notes during Tranche 1 and Tranche 2 was \$35,774. Refer to Note 14 - Equity for details of the methods and assumptions used in calculating the fair values of the warrants. The OID Notes were initially recorded at the cash amount received. The carrying amount of each of the Senior Notes is being accreted to the principal amount using the effective interest rate method.

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2020 Modifications

(i) Warrant Notes Exchanges for OID Notes

In January 2020, a certain Tranche 1 holder elected to exchange \$500 principal amount of Warrant Notes that had been issued in December 2019 into OID Notes of principal amount \$585 in January 2020, and the related 237,537 Warrants that were issued in December 2019 were voided. In addition, Warrant Notes of \$5,000 that were issued in January 2020 were subsequently also exchanged for OID Notes of \$5,842 in January 2020, and the related 2,375,372 warrants that were issued in connection with the Warrant Notes were also voided. The notes exchanged were determined to have substantially different terms as a result of the cancellation of the Warrants and therefore the exchanges were accounted for as an accounting extinguishment of the original financial liabilities and the recognition of new financial liabilities under ASC 470, *Debt*. The difference between the fair value of the new OID Notes of \$5,500 and the total carrying value of the extinguished Warrants Notes (carrying value of \$3,621), and the extinguished

Derivative Warrants (carrying value of \$1,916) was a gain of \$37 and is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

(ii) Down-Round Price Adjustment

The warrants associated with the Tranche 1 Senior Notes contained a down-round price protection feature and were issued at ~\$1.58. As a result of the issuance of the Tranche 2 warrants at an exercise price equal to \$1.25, the Tranche 1 warrants were adjusted down to an exercise price of \$1.25. This resulted in a loss on modification of \$1,001 and is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

(iii) “Option 2” Elections

As a result of Most Favored Nation (“MFN”) clauses in certain of the Tranche 1 Senior Notes holders’ offering documents, at the time of the Tranche 2 offering in June 2020, those certain Tranche 1 investors were offered to either retain their existing offering documents, including the Senior Notes, and warrants, if applicable, with an unmodified MFN clause and continued down-round price protection (“Option 1”); or they could elect to exchange their offering documents for the Tranche 2 offering documents with revised terms including an increased number of warrants based on 75% warrant coverage with a strike price of \$1.25; but with a substantially narrowed MFN and no down-round price protection going forward (“Option 2”). Certain Tranche 1 Senior Notes holders accepted Option 2 to exchange their Senior Notes and warrants, or their OID Notes, for the new offered terms, with the following results:

OID Notes Exchanges for Warrant Notes

As a result of the selection of Option 2 by certain OID Note Holders, \$6,427 principal amount of OID Notes was extinguished and replaced with \$5,500 principal amount of Warrant Notes and 3,300,000 warrants. The Company determined that these modifications were substantial under ASC 470-50 *Debt - Modification and Extinguishment* (“ASC 470-50”) as a result of the change to the MFN, a greater than 10% change to the principal amount of the debt and the addition of warrants, and therefore the exchanges were accounted for as accounting extinguishments of the original financial liabilities and the recognition of new financial liabilities. The difference between the extinguished carrying value of the OID Notes of \$5,627, and the total new fair value of \$5,500 for the replacement Warrants Notes (fair value of \$2,803) and the new Derivative Warrants (fair value of \$2,697), was a gain of \$127 and is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

Warrant Note Holders

As a result of the election of Option 2 by the Warrant Note holders, the Company issued an additional 2,960,738 warrants. The Company determined that these modifications were substantial under ASC 470-50 as a result of the change to the MFN and the removal of the down-round price protection for the Derivative Warrants, and therefore the exchanges were accounted for as accounting extinguishments of the original financial liabilities and the recognition of new financial liabilities. The difference between the extinguished total carrying value of \$25,037 for the existing Warrant Notes (carrying value \$15,777) and related Derivative Warrants liabilities (carrying value \$9,260), and the total new fair value of \$23,700 for the replacement Warrant Notes (fair value of \$12,005) and new total Derivative Warrants (fair value of \$11,695), was a gain of \$1,337 and is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

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Subsequent to all Option 2 elections made by the Warrant Notes holders in June and July of 2020, 6,128,459 Derivative Warrants were still subject to the downward price protection.

As a result of the Option 2 extinguishments, the Company expensed previously deferred financing costs of \$491 related to Tranche 1 Senior Notes, which is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

(iv) Public Debt Listing

On December 1, 2020, the Company listed for trading on the Canadian Securities Exchange \$76,352 of 10%, senior secured notes due January 15, 2023 (the “Public Notes”). The publicly traded senior secured notes were issued to certain existing holders of the Company’s 10% senior secured notes due January 15, 2023 who elected to exchange their then-outstanding non-listed senior secured notes for the new Public Notes in the same principal amount. Other existing holders of the Company’s non-listed 10% senior secured notes due January 15, 2023, representing an aggregate principal amount of \$6,975, elected to retain their non-listed/private senior secured notes.

As a result of the public listing of the Senior Notes in December 2020, for the majority of the notes, the Company determined that the modification was not substantial under ASC 470-50. However, there were certain Senior Notes that were modified by removing a different redemption feature, therefore the Company determined that this was a substantial modification under ASC 470-50, and was thus accounted for as an accounting extinguishment of the original financial liabilities and the recognition of new financial liabilities. The difference between the extinguished total carrying value of \$8,170 and the total new value of \$10,032, was a loss of \$1,862 which is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

Senior Notes - Mandatory and Optional Redemptions

Mandatory Redemptions

The Company is required to offer to redeem the Senior Notes using 33% of the net proceeds from any equity offerings by the Company or any of its subsidiaries (including the Guarantors), at a purchase price equal to par plus accrued but unpaid interest (no premiums). The note holder has the option to waive their right to redemption. This mandatory prepayment option (“Prepayment Option”) represents an embedded derivative liability. Refer to Note 13 - Derivative Liabilities for additional information on the Prepayment Option.

Pursuant to these terms of the 10% Senior Notes, in connection with the equity offerings completed during the first quarter of 2021, the Company redeemed a total principal amount of \$8,134. The difference between the carrying amounts of the Senior Notes and the principal amount extinguished was \$3,815.

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Other mandatory redemptions would be required: i) at par plus accrued interest with 100% of the net cash proceeds as result of certain specified dispositions; and/or; ii) 106% of the principal amount plus all accrued interest as a result of certain change of control transactions.

Optional Redemptions

A redemption of the Senior Notes may be initiated by the Company at any time upon 3 days written notice and may redeem all or any portion of the Senior Notes at par plus accrued interest plus a premium equal to 5% of the aggregate principal amount of the Senior Notes being redeemed on or after the first anniversary of the issue date but prior to the second anniversary of the issue date. The Company (at its option) may redeem all or any portion of the Senior Notes at par plus accrued interest (without any premium) on or after the second anniversary of the date of issuance.

Guarantees

The Company's total obligations under the Senior Notes are secured by substantially all assets of the Company and certain Subsidiaries (subject to certain exclusions) and are guaranteed for non-payment by certain Subsidiaries.

Default Provisions

The Senior Notes agreement provides for customary events of default, as well as customary remedies upon an event of default as defined in the Senior Notes agreement ("Event of Default"), including acceleration of repayment of outstanding amounts. In addition, automatically upon the occurrence and during the continuance of an Event of Default, the interest rate accruing on the outstanding principal amount of the Note shall be 3% more than the rate otherwise payable under the Senior Notes.

Covenants

The Senior Notes are subject to certain customary non-financial provisions and covenants. The covenants, among other things, generally limit the ability of the Company and certain of its subsidiaries, subject to certain exceptions, to (i) incur certain additional debt; (ii) pay dividends or make distributions from certain subsidiaries; (iii) sell certain assets; and (iv) effect certain transactions. As of December 31, 2021 and 2020, the Company was in compliance with the provisions and covenants.

ACQUISITION FACILITY

On October 20, 2021 (the "Closing Date"), the Company entered into definitive documentation in respect of a \$100,000 Senior Secured Credit Facility (the "Acquisition Facility") from Roxbury, LP, a portfolio company of SunStream Bancorp Inc., which is a joint venture sponsored by Sundial Growers Inc. The Company is permitted to borrow amounts under the Acquisition Facility for potential strategic expansion opportunities in both its core and developing markets. After being drawn, loans issued under the Acquisition Facility bear an interest rate of 9.5% per annum, payable quarterly, and will mature five years from the Closing Date. Subject to the approval of the Agent's investment committee and other conditions, including pro forma compliance with certain financial covenants (further defined below) at the time of borrowing, the Company will be able to make draws under the facility until the 18-month anniversary of the Closing Date (the "Draw Period"), and will have a two-year interest-only period before partial amortization begins on a quarterly basis. The Company also may increase the total commitment of the Acquisition Facility by an aggregate amount of up to \$25,000, subject to certain conditions (the "Accordion"). The Acquisition Facility is secured by a first lien over certain Company assets and on a pari passu basis with the collateral securing the indebtedness of the Company evidenced by the Senior Notes.

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During the Draw Period, a standby fee of 2.25% per annum of: (1) the undrawn amount of the Acquisition Facility minus the sum of the daily average of the outstanding amount of the Acquisition Facility for the preceding calendar quarter shall be paid quarterly, in arrears, on the first business day of each calendar quarter. The standby fee drops to 1.5% on the date the existing 10% Senior Notes mature or are refinanced. An exit fee of 1.5% of the original term loan amount of \$100,000 shall be paid upon the earliest of the maturity date, any repayment of the principal balance of the term loans or the occurrence of an event of default. In the event the existing Senior Notes mature or are refinanced, no exit fee is owed by the Company to the lenders. In the event the Company wishes to refinance the Senior Notes, lenders have a right of first refusal to contribute up to 50% of the amount used to refinance the Senior Notes.

As of December 31, 2021, the Company has drawn down \$40,000 from the Acquisition Facility to fund the cash portion of the acquisition of Nature's Remedy. The original issue discount was \$980 and debt issuance costs capitalized were \$721, of which \$73 has been amortized as of December 31, 2021. The effective interest rate was 10.6% as of December 31, 2021. Beginning April 1, 2024, the Company must repay 10% per annum of the total amount of the term loans funded to date, in quarterly installments on the first business day of each calendar quarter.

The Company will consider borrowing additional amounts in the future under the Acquisition Facility for potential strategic expansion opportunities in both its core and developing markets. As of December 31, 2021, the Company had approximately \$60,000 of availability under the Acquisition Facility (excluding the Accordion). Refer to Note 24 - Subsequent Events.

Mandatory and Optional Redemptions

If the Company prepays any of the loans for any reason except for scheduled amortization payments, the Company must also pay a "make-whole premium." The make-whole premium is the difference between: (1) all fees and interest payments that would be payable if such loan had been outstanding for 27 months and (2) all payments on such loan or portion thereof received by the loan agent prior to the relevant prepayment.

After the Senior Notes mature or are refinanced, the Company is required to repay 100% of net cash proceeds above \$5,000 (individually or in the aggregate in any calendar year) from sales of certain assets within 3 business days following the receipt of net cash proceeds.

Covenants

The Acquisition Facility is subject to certain customary non-financial covenants until the Senior Notes mature or are refinanced, including covenants that restrict the Company's ability to incur or guarantee additional indebtedness or to conduct sales and other dispositions of property or assets. Upon the maturity or refinancing of the Senior Notes, the Acquisition Facility will be subject to additional customary non-financial covenants that, among other things, restrict the Company's ability to create liens, make investments, consummate acquisitions, mergers, reorganizations or similar transactions, enter into sale-leaseback transactions, prepay subordinated debt, pay dividends or make other payments in respect of capital stock, change the line of business and enter into transactions with affiliates. Upon the occurrence and during the continuance of an event of default (after applicable notice and cure periods) the Acquisition Facility permits the lender to declare all principal, interest and all other obligations immediately due and payable. In addition, the Company is required to comply with certain financial covenants measured on a fiscal quarter-end basis beginning at the earlier of the maturity or refinancing of the

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- Total Leverage Ratio, calculated as the ratio of Total Funded Indebtedness to EBITDAR (all such terms are defined in the Acquisition Facility) not to exceed the correlative ratio below:

Applicable Ratio	Fiscal Quarter Ending ⁽¹⁾
6.00 to 1.00	March 31, 2022 and June 30, 2022
5.00 to 1.00	September 30, 2022 and December 31, 2022
4.00 to 1.00	March 31, 2023 and June 30, 2023
3.50 to 1.00	September 30, 2023, and all fiscal quarters ending thereafter

- Debt Service Coverage Ratio of at least 1.10 to 1.0, calculated as the ratio of Adjusted EBITDA to Debt Service Amounts (all such terms are defined in the Acquisition Facility); and
- Minimum sum of unrestricted cash and cash equivalents of at least 5% of the total loan amount under the Acquisition Facility.

(1) In April 2022, the Company entered into an amendment to the Acquisition Facility pursuant to which: (i) the commencement of leverage testing was pushed back by four quarters (now beginning March 31, 2023), (ii) certain leverage ratios were revised; and (iii) the Company may proceed with a bankruptcy in Switzerland with respect to Jushi Europe without defaulting under the Acquisition Facility. Refer to Note 17 - Non-Controlling Interests for additional information on Jushi Europe.

As of December 31, 2021, the Company was not subject to any financial covenants and was in compliance with all applicable non-financial covenants.

PROMISSORY NOTES

A summary of the Company's acquisition-related promissory notes payable is as follows:

December 31, 2021:	PAMS	Dalitso	OSD	Nature's Remedy	Total
Principal amounts of promissory notes	\$ 3,750	\$ 2,417	\$ 3,100	\$ 16,500	\$ 25,767
Original issuance discount ("OID") and deferred finance charges, net	(713)	(174)	(596)	(1,056)	(2,539)
Beneficial conversion feature, net	—	(272)	—	—	(272)
Carrying amounts as of December 31, 2021	\$ 3,037	\$ 1,971	\$ 2,504	\$ 15,444	\$ 22,956

December 31, 2020:	PAMS	FBS Nevada	Dalitso	Total
Principal amounts of promissory notes	\$ 3,750	\$ 1,500	\$ 2,532	\$ 7,782
Original issuance discount and deferred finance charges, net	(985)	(2)	(584)	(1,571)
Beneficial conversion feature, net	—	—	(374)	(374)
Carrying amounts as of December 31, 2020	\$ 2,765	\$ 1,498	\$ 1,574	\$ 5,837

Accrued interest payable for the promissory notes is included in Accrued expenses and other current liabilities in the consolidated balance sheets. Refer to Note 10 - Accrued Expenses and Other Current Liabilities.

Unsecured Promissory Notes – Nature's Remedy

In September 2021, in connection with the Nature's Remedy acquisition, the Company issued a principal amount \$11,500, 8% unsecured three-year note maturing September 10, 2024 and a \$5,000 8% unsecured five-year note maturing September 10, 2026 to the seller. The effective interest rate on the notes is 9.9%. The promissory notes provide for cash interest payments to be made quarterly and all principal and accrued and unpaid interest are due at their respective maturities. Refer to Note 7 - Acquisitions for additional information on the Nature's Remedy acquisition and the portion of contingent consideration of \$5,000 which would be payable as an addition to the 8% unsecured three-year note.

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In April 2021, in connection with the OSD acquisition, the Company issued a principal amount \$3,100, 4% secured promissory note to the seller. The promissory note matures on April 30, 2027 and interest is payable quarterly. The effective interest rate on the note is 7.5%. The note is secured by the equity of OSD. Pursuant to the terms of the OSD acquisition, indemnification obligations of the seller may be offset against this promissory note in the future if the Company makes a claim for such indemnification and such right of offset. Refer to Note 7 - Acquisitions.

Unsecured Promissory Notes - PAMS

In August 2020, in connection with the PAMS acquisition, the Company issued an \$3,750 8% unsecured promissory note to the seller. The promissory note matures on August 11, 2024 and interest is payable quarterly. The fair value of the promissory note was determined to be \$2,658, resulting in a fair value discount on issuance of \$1,092, which is being amortized using the effective interest rate of 7.2% over the life of the promissory note. The total effective interest rate on the note is 15.2%.

The initial fair value of the consideration paid in notes was determined using an approach that uses forecast cash flows of the debt instrument according to its contractual terms and then discounts those cash flows to the date of value.

Promissory Notes - Dalitso

During the fourth quarter of 2020, the Company issued a new \$2,412 unsecured convertible promissory note (the “Convertible Note”) in connection with the Company acquiring all the remaining 38.24% equity interests of Dalitso (the “Dalitso NCI Transactions”). Refer to Note 17 - Non-Controlling Interests. The convertible note bears interest at 1% per annum and matures on November 19, 2022. The convertible note is classified as a liability based on its legal form, despite the Company’s contractual obligation to settle the note in shares. The entire face value of the convertible note is convertible after the first anniversary into 910,000 Subordinate Voting Shares at a fixed conversion price per share of \$2.65. The note will automatically convert at maturity or insolvency, as defined in the note agreement.

The Company determined that the convertible note included a beneficial conversion feature. The beneficial conversion feature is calculated at its intrinsic value (the difference between the conversion price of \$2.65 at the date of the note issuance and the fair value of the shares into which the debt is convertible at the commitment date of \$3.335, multiplied by the 910,000 shares into which the debt is convertible). The Company recorded \$623 as a beneficial conversion discount, which is being amortized on a straight-line basis over the life of the promissory note.

The fair value of the convertible note, net of the beneficial conversion and debt issuance discount, was determined to be \$1,391, resulting in a fair value discount on issuance of \$397, which is being amortized on a straight-line basis over the life of the promissory note.

The initial fair value of the notes was determined using the expected cash flows of the notes based on its contractual terms and then discounted to the issuance date at a risk-adjusted discount rate that considers the relative risk of achieving those cash flows and the time value of money. The discount rate used was 15%.

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Secured Promissory Notes - FBS Penn

In July 2019, in connection with the FBS Penn acquisition, the Company issued \$28,122 by way of certain 10% secured notes due to the sellers, with principal payments, together with accrued interest through each such date, due in tranches. These notes were repaid in full, including any accrued interest, prior to maturity during the fourth quarter of 2020.

Secured Promissory Notes - FBS Nevada

In July 2019, in connection with the FBS Nevada management services and purchase agreements and the related acquisition of the associated real estate, the Company issued \$2,250 in promissory notes and \$375 in other secured notes as part of the consideration. The notes bore interest at 10% per annum. In April 2021, the Company completed the acquisition of 100% of FBS NV equity, which the Company had been operating under an MSA since 2019. In April 2021, the remaining principal balances of the promissory notes (plus accrued interest) were repaid in full.

Secured Promissory Notes - FBS Ohio

In June 2019, the Company entered into a definitive agreement with a FBS Ohio and issued \$1,500 in 18-month secured sellers’ notes as part of the consideration. The notes bore interest at 10% per annum and were payable quarterly. The Company repaid these notes in full during the fourth quarter of 2020.

OTHER DEBT

Arlington Facility

In November 2021, the Company closed on the purchase of a property in Arlington, Virginia, for \$7,000. On December 28, 2021, the Company entered into \$6,900 credit facility (“Arlington Facility”) with a bank to refinance the purchase. As of December 31, 2021, the Company had drawn down \$5,000. As of December 31, 2021, the Company had \$1,900 of remaining availability under the Arlington Facility. The Arlington Facility bears a fixed interest rate of 5.875% per annum payable monthly and will mature on January 1, 2027, approximately 5 years from the closing date. The effective interest rate was 6.35% as of December 31, 2021.

The Company is subject to a prepayment penalty on the principal balance as follows: year one - 5%, year two - 4%, year three - 3% and year four - 2%. The carrying amount of the Arlington property was \$7,028 as of December 31, 2021.

The Arlington Facility is subject to certain financial and non-financial debt covenants. Beginning December 31, 2022, the Company must maintain a Debt Service Coverage Ratio of 1.4 times at the subsidiary level and 1.2 times at the consolidated Company level, both of which are measured at year end. Per the Arlington Facility agreement, the Debt Coverage Ratio is defined as net operating income divided by annual debt service (principal and interest paid on the Arlington Facility) at the subsidiary level. At the consolidated Company level, the Debt Coverage Ratio is defined as Adjusted EBITDA (at the consolidated Company level) divided by annual debt service (principal and interest paid on the Arlington Facility.) As of December 31, 2021, the Company was in compliance with all applicable covenants.

Financing Obligations

The financing obligations primarily relate to a purchase of a Santa Barbara property that closed in July 2020 for \$3,100 in cash proceeds. The carrying amount of the property as of December 31, 2021 and 2020 was \$2,941 and \$3,030, respectively. The initial monthly payment was \$27 and monthly payments for the financing obligation increase 2.25% annually and the expected term is 30 years, including renewals. The effective interest rate for this financing obligation is 11.9%.

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Unsecured Credit Lines - Jushi Europe

During the fourth quarter of 2020, Jushi Europe entered into a credit agreement with a sibling of the Jushi Europe non-controlling partner and received €500 (approximately \$614) principal amount. In January 2021, Jushi Europe received €1,000 approximately (\$1,214 as of December 31, 2021) principal amount pursuant to a credit agreement with an individual. These credit agreements accrue interest at 5% per annum, payable annually in arrears, and mature on November 11, 2024. The outstanding balance may be prepaid at any time prior to maturity without penalty and may be offset with receivables from the lender. Subsequent to December 31, 2021, it was determined that Jushi Europe was insolvent. The insolvency created an event of default under the unsecured credit agreements and the notes are immediately due and payable.

In April 2021, Jushi Europe entered into an unsecured bridge loan with the Company (51% owner) and an investment partner for a total of €1,800 (~\$2,141) principal amount, of which €900 (~\$1,070) was contributed by the Company and is eliminated in consolidation. In September 2021, the parties amended the loan agreement and an additional €1,200 (~\$1,390) in funding was provided for Jushi Europe, of which 51% was contributed by the Company and is eliminated in consolidation. The bridge loans, as amended, currently accrue interest at 0.5% per annum, which is the foreign marginal lending facility rate plus 25 basis points. All payments including interest are due on maturity, which is 180 days post amendment. These loans had not yet been repaid and are delinquent. Refer to Note 17 - Non-Controlling Interests for additional information on Jushi Europe.

12. LEASE OBLIGATIONS

The Company leases certain business facilities for corporate, retail and cultivation purposes in Florida, Pennsylvania, Ohio, California, New York, Virginia, Illinois, Colorado and Massachusetts from third parties under lease agreements that specify minimum rentals. In addition, the Company leases certain equipment for use in cultivation and extraction activities. The Company determines whether a contract is or contains a lease at the inception of the contract. The expiry dates of the leases, including reasonably certain estimated renewal periods, are between 2022 and 2050 and contain certain renewal provisions. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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Management elected not to separate lease and non-lease components for all of the Company's leases. For leases with a term of 12 months or less, management elected the short-term lease exemption, which allowed the Company to not recognize right-of-use assets or lease liabilities for qualifying leases existing at transition and new leases the Company may enter into in the future. As of December 31, 2021, estimated future minimum lease payments under non-cancelable operating leases having an initial term of one year or less were \$247 and are not capitalized in the consolidated balance sheet. The Company's rent expense related to short-term leases is included in general and administrative expenses and was \$406 and \$156 for the years ended December 31, 2021 and 2020, respectively.

The following table provides the components of lease cost recognized in the consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2021.

	December 31, 2021	December 31, 2020
Operating lease cost	\$ 2,585	\$ 1,555
Finance lease cost:		
Amortization of lease assets	3,155	706
Interest on lease liabilities	9,158	2,447
Total finance lease cost	\$ 12,313	\$ 3,153
Variable lease cost	355	34
Total lease cost	\$ 15,253	\$ 4,742

All extension options that are reasonably certain to be exercised have been included in the measurement of lease obligations. The Company reassesses the likelihood of extension option exercise if there is a significant event or change in circumstances within its control.

Other information related to operating and finance leases as of and for the years ended December 31, 2021 and 2020 are as follows:

	December 31, 2021		December 31, 2020	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Weighted average discount rate	11.75%	11.50%	16.28%	14.65%
Weighted average remaining lease term (in years)	22.6	14.6	23.7	13.7
Cash paid for amounts included in the measurement of lease liabilities	7,805	2,080	\$ 1,848	\$ 1,331

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The maturities of the contractual undiscounted lease liabilities as of December 31, 2021 are as follows:

	Finance Leases	Operating Leases
2022	\$ 13,897	\$ 2,927
2023	10,879	3,012
2024	11,004	2,719
2025	11,519	2,522
2026	11,472	2,292
Thereafter	270,635	27,866
Total undiscounted lease liabilities	329,406	41,338
Interest on lease liabilities	(228,489)	(23,430)
Total present value of minimum lease payments	\$ 100,917	\$ 17,908
Lease liabilities - current portion	\$ 12,620	\$ 2,745

Lease liabilities - non-current	\$ 88,297	\$ 15,163

13. DERIVATIVE LIABILITIES

A summary of the Company's derivative liabilities as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Derivative Warrants liability	\$ 92,261	\$ 204,611
Prepayment Option liability	174	750
Total derivative liabilities, carrying amount	\$ 92,435	\$ 205,361

The continuities of the Company's derivative liabilities are as follows:

	Derivative Warrants Liability ⁽¹⁾	Prepayment Option Liability	Total Derivative Liabilities
Carrying amounts as of January 1, 2020	\$ 5,529	\$ —	\$ 5,529
Fair value allocated to Derivative Warrants on issuance	30,245	—	30,245
Warrant modifications ⁽²⁾	4,179	—	4,179
Fair value changes	173,397	750	174,147
Derivative Warrants exercised	(8,739)	—	(8,739)
Carrying amounts as of December 31, 2020	\$ 204,611	\$ 750	\$ 205,361
Fair value changes	(104,594)	(576)	(105,170)
Derivative Warrants exercised	(7,756)	—	(7,756)
Carrying amounts as of December 31, 2021	\$ 92,261	\$ 174	\$ 92,435

(1) Refer to Note 14 - Equity for the continuity of the number of these warrants outstanding.

(2) The gains (losses) on warrant modifications are included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

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Derivative Warrants Liability

The warrants to purchase Subordinate Voting Shares of the Company which were issued in connection with the Senior Notes (the "Derivative Warrants") have an expiration date of December 23, 2024 and an exercise price of US\$1.25. There were 40,124,355 and 42,017,892 Derivative Warrants outstanding as of December 31, 2021 and 2020, respectively. The Derivative Warrants may be net share settled.

These warrants are considered derivative financial liabilities measured at fair value with all gains or losses recognized in profit or loss ("FVTPL") as the settlement amount for the warrants may be adjusted during certain periods for variables that are not inputs to standard pricing models for forward or option equity contracts, i.e., the "fixed for fixed" criteria under ASC 815-40. The estimated fair value of the Derivative Warrants is measured at each reporting period and an adjustment is reflected in fair value changes in derivatives in the consolidated statements of operations and comprehensive income (loss). These are Level 3 recurring fair value measurements. The derivatives are classified as non-current liabilities. The estimated fair value of the Derivative Warrants as of the balance sheet date was determined using the Monte Carlo simulation model taking into account the fair value of the Company's Subordinate Voting Shares on the valuation dates and into the future encompassing a wide range of possible future market conditions. The assumptions used in the calculations as of the balance sheet dates and used in the determination of the initial or settlement fair values during the years presented included the following:

	As of December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Stock price	\$3.25	\$5.86	\$3.79 - \$8.08	\$1.21 - \$5.58
Risk-free annual interest rate	0.97%	0.26%	0.31% - 0.99%	0.11% - 1.74%
Range of estimated possible exercise price	\$0.04 - \$1.25	\$0.01 - \$1.25	\$1.25	\$0.03 - \$1.58
Volatility	73%	80%	73% - 80%	75% - 85%
Remaining life (years)	3 years	4 years	3 - 4 years	4 - 5 years
Forfeiture rate	0%	0%	0%	0%
Expected annual dividend yield	0%	0%	0%	0%

Volatility was estimated by using a weighting of the Company's volatility and the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies. The risk-free interest rate for the expected life of the Warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term. The expected life is based on the contractual term. If any of the assumptions used in the calculation were to increase or decrease, this could result in a material or significant increase or decrease in the estimated fair value of the derivative liability. For example, the following table illustrates an increase or decrease in certain significant assumptions as of the balance sheet dates:

	As of December 31, 2021			As of December 31, 2020		
	Input	Effect of 10% Increase	Effect of 10% Decrease	Input	Effect of 10% Increase	Effect of 10% Decrease
Stock price	\$ 3.25	\$ 12,781	\$ (10,834)	\$ 5.86	\$ 21,856	\$ (23,707)
Volatility	73%	\$ 4,473	\$ (3,210)	80%	\$ 1,508	\$ (4,239)

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Prepayment Option

The mandatory Prepayment Option on the 10% Senior Notes (Refer to “Senior Notes in Note 11 - Debt”) represents an embedded derivative which must be bifurcated and recorded at fair value (FVTPL) at each reporting period. The estimated fair value of the Prepayment Option was determined using a probability-weighted discounted cash flow analysis, taking into account the future likelihood of the mandatory redemption. These are Level 3 recurring fair value measurements. The significant assumptions used in the calculations include: the probability of a mandatory redemption, a mid-point redemption date, and the discount rate, which is based on market yields of similar host instruments. If any of the assumptions used in the calculation were to increase or decrease, this could result in a material increase or decrease in the estimated fair value of the Prepayment Option.

14. EQUITY

(a) Authorized

The authorized share capital of the Company consists of common shares with an unlimited number of Subordinate Voting Shares (“SVS”), Multiple Voting Shares (“MVS”), and Super Voting Shares (“SV”). As of December 31, 2021, there were 182,707,359 SVS issued and outstanding and there were no MVS or SV outstanding. On August 9, 2021, all of the 149,000 previously issued and outstanding Super Voting Shares and all of the 4,000,000 previously outstanding Multiple Voting Shares were converted into Subordinate Voting Shares in accordance with their terms as described in Jushi Holdings Inc.’s Articles of Incorporation. All previously outstanding warrants to acquire Super Voting Shares and Multiple Voting Shares were also converted into warrants to acquire Subordinate Voting Shares, without any other amendment to the terms of such warrants.

(i) Subordinate Voting Shares

Holders of SVS (“SVS Holder”) are entitled to notice of and to attend any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting SVS Holders are entitled to one vote in respect of each SVS held.

SVS Holders are entitled to receive as and when declared by the directors, dividends in cash or property of the Company.

(ii) Multiple Voting Shares

The holders of Multiple Voting Shares (the “Multiple Voting Holders”) shall have the right to 10 votes for each Subordinate Voting Share into which such Multiple Voting Shares could then be converted, which for greater certainty, shall initially equal 10 votes per Multiple Voting Share, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the SVS Holders, and shall be entitled to notice of any shareholders’ meeting and shall be entitled to vote, together with holders of SVS, with respect to any question upon which SVS Holders have the right to vote.

The MVS Holders shall have the right to receive dividends, out of any cash or other assets legally available therefore, *pari passu* (on an as-converted basis, assuming conversion of all MVS into SVS at the applicable conversion ratio and ignoring any limitations on conversion as outlined in the Company Articles) as to dividends and any declaration or payment of any dividend on the SVS.

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(iii) Super Voting Shares

The holders of Super Voting Shares (the “Super Voting Holders”) shall have the right to 10 votes for each Subordinate Voting Share into which such Super Voting Shares could then be converted (as outlined in the Company’s Articles), which for greater certainty, shall initially equal 1,000 votes per Super Voting Share, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the Subordinate Voting Holders, and shall be entitled, to notice of any shareholders’ meeting and shall be entitled to vote, together with holders of Subordinate Voting Shares, with respect to any question upon which Subordinate Voting Holders have the right to vote.

The Super Voting Holders shall have the right to receive dividends, out of any cash or other assets legally available therefore, *pari passu* (on an as converted basis, assuming conversion of all Super Voting Shares into Subordinate Voting Shares at the applicable Conversion Ratio and ignoring any limitations on conversion as outlined in the Company Articles) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares.

Dividends

The Company has not paid dividends on any of its classes of stock. The Company’s 10% Senior Notes and Acquisition Facility contain covenants that, among other things, limit the Company’s ability to declare or pay dividends.

Public Offerings

On October 23, 2020, the Company issued 11,500,000 subordinate voting shares at a price of C\$3.55 per share for total gross proceeds of approximately C\$40,825 (~USD\$31,076), which included the full exercise of the over-allotment option granted to the underwriters. The Company incurred \$1,833 of costs directly related to the public offering.

On January 7, 2021, the Company closed on an overnight marketed offering for an aggregate of 6,210,000 subordinate voting shares at a price of C\$6.50 per share for total gross proceeds of C\$40,365, and total net proceeds of C\$37,768 (\$29,762). On February 12, 2021, the Company closed on an overnight marketed offering for an aggregate 7,475,000 subordinate voting shares at a price of C\$10.00 per share for total gross proceeds of C\$74,750 and total net proceeds of C\$70,922 (\$55,902). These offerings included the full exercise of the over-allotment option granted to the underwriters.

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Warrants

Each warrant entitles the holder to purchase one share of the same class of common share. The following table summarizes all warrants outstanding as of December 31, 2021:

Expiration Date	Exercise Price (\$)	Number of Warrants
February - July 2022	1.25 - 1.58	715,846
February - September 2023	1.47 - 1.50	337,500
February - December 2024	1.25	40,124,355
October - November 2025	2.47 - 2.94	1,435,075
November 2026	4.18	300,000
January - June 2029	0.50 - 2.00	26,367,627
Total warrants		69,280,403

As of December 31, 2021, warrants issued and outstanding have a weighted-average remaining contractual life of 4.7 years. Certain warrants may be net share settled.

The activity of warrants (on an as-converted basis) outstanding was as follows:

	Non-Derivative Warrants	Derivative Warrants ⁽²⁾	Total Number of Warrants	Weighted - Average Exercise Price
Balance as of January 1, 2020 ⁽¹⁾	59,686,712	7,392,157	67,078,869	\$ 1.60
Granted ⁽³⁾ ⁽⁴⁾ ⁽⁵⁾ ⁽⁶⁾	2,821,692	39,540,902	42,362,594	1.26
Exercised ⁽⁷⁾ ⁽¹³⁾	(22,182,244)	(2,302,258)	(24,484,502)	1.90
Cancelled ⁽⁸⁾	(2,811,916)	—	(2,811,916)	1.94
Expired	(750,000)	—	(750,000)	1.50
Voided ⁽³⁾ ⁽⁹⁾	—	(2,612,909)	(2,612,909)	1.58
Balance as of December 31, 2020 ⁽¹⁾	36,764,244	42,017,892	78,782,136	\$ 1.31
Granted ⁽¹⁰⁾	300,000	—	300,000	4.18
Exercised ⁽¹¹⁾ ⁽¹³⁾	(7,658,196)	(1,893,537)	(9,551,733)	2.26
Cancelled	(250,000)	—	(250,000)	1.50
Balance as of December 31, 2021	29,156,048	40,124,355	69,280,403	\$ 1.19
Exercisable as of December 31, 2021 ⁽¹²⁾	27,292,712	40,124,355	67,417,067	\$ 1.15

- (1) Total number of outstanding warrants on a non-converted basis was 62,669,886 and 50,966,619 as of December 31, 2020 and January 1, 2020, respectively. In August 2021, all outstanding warrants to acquire Super Voting Shares and Multiple Voting Shares were converted into warrants to acquire Subordinate Voting Shares, without any other amendment to the terms of such warrants. The 162,750 outstanding warrants for Super Voting Shares were converted to 16,275,000 warrants. The 6,750,000 warrants for Multi-Voting shares were converted into 6,750,000 warrants for Subordinate Voting Shares.
- (2) Derivative warrants which were issued to the 10% Senior Notes holders and which have an exercise price of \$1.25. These warrants represent a derivative liability and are therefore not classified as equity in the statement of financial position. Refer to Note 13 - Derivative Liabilities.
- (3) Includes 2,375,372 derivative warrants that were issued in 2020 in connection with the issuance of Warrant Notes and subsequently voided when the Warrant Notes were exchanged for OID Notes. Refer to "Senior Notes" in Note 11 - Debt.
- (4) Includes 950,148 derivative warrants issued in connection with the Warrant Notes issued for the TGS NCI buyout, 200,000 were issued in connection with the TGS Transaction and 633,433 were issued in connection with the Warrant Notes issued for the Agape acquisition. Refer to Note 7 - Acquisitions.
- (5) During the year ended December 31, 2020, the Company issued 301,539 warrants for broker services rendered in connection with the issuance of 10% Senior Notes, with a weighted average per share exercise price of \$1.34, and a weighted average grant date fair value of \$0.54.



- (6) During the year ended December 31, 2020, the Company issued 2,285,075 warrants for other consulting or other services with a weighted average per share exercise price of \$2.17 and a weighted average per share grant date fair value of \$1.07. Certain of the warrants are subject to vesting and the expense relating to these awards is included in share-based compensation expense in the consolidated statements of operations and comprehensive income (loss).
- (7) The weighted average share price as of the dates of exercise was \$4.16. Warrants exercised includes warrants exercised as a result of the Company acceleration of the expiration of certain warrants. Warrants exercised includes warrants that were cashless net exercises. The Company received \$45,510 in cash proceeds from warrants that were exercised during the year ended December 31, 2020.
- (8) Includes the cancellation of 2,500,000 warrants returned in the TGS Transaction. Refer to Note 7 - Acquisitions.
- (9) Includes 237,537 derivative warrants that were issued in connection with Warrant Notes during the year ended December 31, 2019 and subsequently voided during the first quarter of 2020 when the Warrant Note was exchanged for an OID Note.
- (10) During the year ended December 31, 2021, the Company issued 300,000 warrants for other consulting or other services with a weighted average per share exercise price of \$4.18 and a weighted average per share grant date fair value of \$2.14. Certain of the warrants are subject to vesting and the expense relating to these awards is included in share-based compensation expense in the consolidated statements of operations and comprehensive income (loss).
- (11) The weighted average share price as of the dates of exercise was \$5.54. The Company issued 8,667,173 SVS and received \$16,922 in cash proceeds during the year ended December 31, 2021.
- (12) The weighted average remaining contractual life is 4.7 years.
- (13) Several of the warrants contained terms under which the Company could force exercise and many of the warrants contained terms under which the Company could accelerate the expiration date following a liquidity event if the volume weighted average price for any 20 or 30 consecutive trading days, as applicable, equals or exceeds a certain per share price. During the years ended December 31, 2021 and 2020, the Company exercised its rights to accelerate the expiration of certain outstanding warrants issued to participants in the Company's private placement offerings that closed in March 2019, October 2018, June 2018 and April 2018, respectively.

Grant Date Fair Values - Non-Derivative Warrants

The fair value of the warrants issued for services or consulting, including for broker services was determined using the Black-Scholes option-pricing model. The following assumptions were used for the calculations at the time of issuance or grant:

	Year Ended December 31,	
	2021	2020
Stock price	\$4.16	\$0.71 - \$3.18
Risk-free annual interest rate	0.97%-1.16%	0.11% - 1.55%
Expected annual dividend yield	nil	nil
Expected stock price volatility	73%	78% - 85%
Expected life of warrants	3-4 years	1 - 4 years
Forfeiture rate	—%	—%

Volatility was estimated by using a weighting of the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies and the Company volatility. The expected life in years represents the period of time that warrants issued are expected to be outstanding. The risk-free rate is based on U.S. Treasury bills with a remaining term equal to the expected life of the warrants. The Company currently does not anticipate paying dividends in the foreseeable future and as a result, the expected annual dividend yield is assumed to be 0%.

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15. SHARE-BASED COMPENSATION AND OTHER BENEFITS

The components of share-based compensation expense are as follows:

	Year Ended December 31,	
	2021	2020
Stock options	\$ 7,464	\$ 2,741
Restricted stock	5,873	5,898
Warrants	1,169	953
Total share-based compensation expense	\$ 14,506	\$ 9,592

Equity Incentive Plan

Under the Plan, non-transferable options to purchase Subordinate Voting Shares and restricted Subordinate Voting Shares of the Company may be issued to directors, officers, employees, or consultants of the Company. The Plan authorizes the issuance of up to 15% (plus an additional 2% inducements for hiring employees and senior management) of the number of outstanding shares of common stock (of all classes) of the Company (the "Share Reserve"). Incentive stock options are limited to the Share Reserve as of June 6, 2019. As of December 31, 2021, the maximum number of incentive awards available for issuance under the Plan, including additional awards available for certain new hires, was 7.9 million.

(a) Stock Options

The stock options issued by the Company are options to purchase SVS of the Company. All stock options issued have been issued to employees of certain subsidiaries of the Company under the Company's Plan. Such options generally expire in ten years from the date of grant and generally vest ratably over three years from the grant date. The options may be net share settled.

Details of the stock option activity are follows:

	Number of Stock Options	Weighted- Average Per Share Exercise Price
Issued and Outstanding as of December 31, 2020	9,573,834	\$ 2.00
Granted ⁽¹⁾ ⁽²⁾ ⁽³⁾	11,486,952	\$ 4.16
Exercised ⁽⁴⁾	(291,664)	\$ 1.90
Forfeited/expired	(340,002)	\$ 3.23
Issued and Outstanding as of December 31, 2021	20,429,120	\$ 3.20
Exercisable as of December 31, 2021	6,040,093	\$ 1.97

(1) The weighted-average per share grant date fair value was \$2.61.

(2) Includes 5,100,000 stock options issued to senior key management. The weighted average exercise price and grant date fair value was \$4.12 and \$2.57, respectively.

(3) Includes 213,952 stock options issued to independent directors. The weighted average exercise price and fair value was \$4.03 and \$2.38, respectively.

(4) The weighted-average share price at the date of exercise was \$4.92. The Company issued 216,133 SVS and received \$208 in cash proceeds from stock options that were exercised during the year ended December 31, 2021.

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The following table summarizes the issued and outstanding stock options as of December 31, 2021:

Expiration Year	Stock Options Outstanding	Exercise Price	Stock Options Exercisable
2028	870,000	\$1.00 - \$1.35	870,000
2029	7,169,668	\$1.26 - \$2.75	4,766,987
2030	987,500	\$0.91 - \$ 3.98	329,156
2031	11,401,952	\$3.70 - \$6.53	73,950
	<u>20,429,120</u>		<u>6,040,093</u>

As of December 31, 2021, there was \$24,942 of total unrecognized compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 16 months. As of December 31, 2021, total stock options issued and outstanding had a weighted-average remaining contractual life of 8.7 years and an intrinsic value of \$11,583, and the exercisable stock options had a weighted-average remaining contractual life of 7.4 years and an intrinsic value of \$8,013.

In determining the amount of share-based compensation expense related to stock options issued, the Company used the Black-Scholes option-pricing model to establish the measurement date fair value of stock options granted during the period. The following assumptions were applied at the time of grant:

	Year Ended December 31,	
	2021	2020
Stock price	\$3.62 - \$6.48	\$0.91 - \$3.98
Risk-free annual interest rate	0.45% - 1.59%	0.26% - 1.47%
Expected annual dividend yield	0%	0%
Volatility	72% - 78%	80% - 85%
Expected life of stock options	5 - 7.5 years	5 - 6.5 years
Forfeiture rate	0%	0%

Volatility was estimated by using the Company volatility and a weighting of the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies. The expected life in years represents the period of time that stock options issued are expected to be outstanding, using the simplified method. The simplified method represents the Company's best estimate of the expected term of the options, given the Company's limited history available. The risk-free rate is based on U.S. Treasury bills with a remaining term equal to the expected life of the options. The Company does not anticipate paying dividends in the foreseeable future, and as a result, the expected annual dividend yield is expected to be 0%.

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(b) Restricted Stock Grants

The Company grants restricted SVS to independent directors, management, former owners of acquired businesses or assets, and to consultants and other employees. The restricted SVS are included in the issued and outstanding SVS. The activity for unvested restricted stock grants is as follows:

	Number of Restricted Subordinate Voting Shares
Unvested restricted stock as of December 31, 2020	6,438,186
Granted ⁽¹⁾	65,398
Cancelled	(219,479)
Vested	(3,424,954)
Unvested restricted stock as of December 31, 2021	<u>2,859,151</u>

(1) The weighted-average grant date fair value of the RSAs was \$3.66 and is based on the closing price of the subordinate voting shares of the Company on the grant date.

Generally, restricted stock awards will vest either one-third on each anniversary of service from the vesting start date or will be fully vested on the completion of one year of full service from the vesting start date, depending on the award. As of December 31, 2021, there was \$2,116 of total unrecognized compensation expense related to unvested restricted stock awards, which is expected to be recognized over a weighted-average remaining vesting period of 1.2 years.

(c) Warrants

Refer to Note 14 - Equity for details on warrants issued by the Company for consulting or other services.

401(k) Plan

The Company maintains a 401(k) plan, which is generally available to eligible employees. The Company makes safe harbor matching contributions, subject to a maximum contribution of 4% of the participant's compensation. The employer matching contributions to the 401(k) plan were \$616 and \$327 for the years ended December 31, 2021 and 2020, respectively.

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Details of the Company's income tax expense (benefit) are as follows:

	Year Ended December 31,	
	2021	2020
Current tax expense:		
Federal	\$ 25,501	\$ 9,728
State	9,234	4,452
Foreign	—	—
	<u>\$ 34,735</u>	<u>\$ 14,180</u>
Deferred tax benefit:		
Federal	\$ (5,477)	\$ (2,650)
State	(1,724)	(962)
Foreign	(3,874)	(3,307)
	<u>\$ (11,075)</u>	<u>\$ (6,919)</u>
Change in valuation allowance	5,965	3,362
Total income tax expense	<u>\$ 29,625</u>	<u>\$ 10,623</u>

The differences between the income tax expense and the expected income taxes based on the statutory tax rate applied to pre-tax earnings (loss) are as follows:

	Year Ended December 31,	
	2021	2020
Income (loss) before income taxes	\$ 47,104	\$ (201,892)
Statutory tax rate	21.00%	21.0%
Tax benefit based on statutory rates	<u>\$ 9,892</u>	<u>\$ (42,397)</u>
Difference in tax rates	16,753	(53,432)
IRC Section 280E disallowed expenses	12,520	3,961
Share-based compensation	2,361	2,099
Interest expense and debt costs	3,616	1,549
Gain on fair value of derivative	(50,482)	83,498
Bargain purchase gain	—	(2,131)
Change in valuation allowance	5,965	3,362
State taxes, net	1,249	1,477
Change in uncertain tax positions	26,823	11,857
Other differences	928	780
Total income tax expense	<u>\$ 29,625</u>	<u>\$ 10,623</u>
Effective tax rate	<u>62.9%</u>	<u>(5.3)%</u>

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Year-end deferred tax assets and liabilities were due to the following:

	Year Ended December 31,	
	2021	2020
Deferred tax assets:		
Lease liability	\$ 26,261	\$ 8,364
Net operating losses	7,941	3,837
Financing fees	2,289	1,562
Start-up costs	820	881
Property and equipment	957	—
Other deferred tax assets	1,295	172
	<u>\$ 39,563</u>	<u>\$ 14,816</u>
Deferred tax liabilities:		
Right-of-use assets	\$ (24,406)	\$ (7,362)
Intangible assets	(17,943)	(1,284)
Other deferred tax liabilities	(978)	(497)
	<u>\$ (43,327)</u>	<u>\$ (9,143)</u>
Valuation allowance	\$ (11,389)	\$ (5,424)
Net deferred tax (liabilities) assets ⁽¹⁾	<u>\$ (15,153)</u>	<u>\$ 249</u>

(1) The net deferred tax liabilities are included in non-current income tax liabilities and the net deferred tax assets are included in other non-current assets in the consolidated balance sheets.

Realization of deferred tax assets associated with the net operating loss carryforwards is dependent upon generating sufficient taxable income prior to their expiration. A valuation allowance to reflect management's estimate of the temporary deductible differences that may expire prior to their utilization has been recorded at December 31, 2021 and December 31, 2020.

As of December 31, 2021, the Company had \$26,697 of non-capital Canadian losses, \$1,075 of capital Canadian losses, \$3,363 of other foreign losses, \$3,560 of state net operating losses which expire in 2038-2041. To the extent that the benefit from these loss carryforwards are not expected to be realized, the Company has recorded a valuation allowance as follows: \$26,697 for non-capital Canadian losses, \$1,075 for capital Canadian losses, \$3,363 for other foreign losses, \$1,830 for state net operating losses.

As the Company operates in the legal cannabis industry, the Company is subject to the limits of Internal Revenue Code ("IRC") Section 280E for US federal income tax

purposes as well as state income tax purposes for all states except for California and Colorado. Under IRC Section 280E, the Company is only allowed to deduct expenses directly related to cost of goods sold. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E.

The Company's tax returns benefited from not applying IRC Section 280E to certain entities of the consolidated group either due to the entity not yet starting operations or because the entity had a separate trade or business that was not medical or recreational cannabis operations. The Company determined that it is not more likely than not these tax positions would be sustained under examination. As a result, the Company has an uncertain tax liability of \$41,990 and \$13,756 as of December 31, 2021 and 2020, respectively, inclusive of interest and penalties, which is included in non-current income tax liabilities in the consolidated balance sheets. Additionally, there are unrecognized deferred tax benefits of \$3,269 and \$7,424 as of December 31, 2021 and 2020, respectively. The Company does not expect the unrecognized tax benefits will materially increase or decrease as a result of the 2019 - 2021 tax return positions. As of December 31, 2021, all tax filings remain open for assessment.

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The total amount of interest and penalties recorded in the income statement for the year ended December 31, 2021 were \$643 and \$2,742. The total amount of interest and penalties recorded within income tax expense for the year ended December 31, 2020, was \$45 and \$nil.

A reconciliation of the beginning and ending amount of unrecognized tax benefits are as follows:

Balance at January 1, 2020	\$	9,323
Additions based on tax positions related to the current year		11,812
Additions for tax positions of prior years		—
Balance at December 31, 2020	\$	21,135
Additions based on tax positions related to the current year		20,368
Additions for tax positions of prior years		—
Balance at December 31, 2021	\$	41,503

17. NON-CONTROLLING INTERESTS

The components of the Company's non-controlling interests and related activity are as follows:

	Dalitso	BHIL	Jushi Europe	Agape	Other Non-Material Interests	Total
Balance as of January 1, 2020	\$ 9,642	\$ —	\$ —	\$ —	\$ 18	\$ 9,660
Acquisitions	—	4,661	—	1,560	—	6,221
Purchase of non-controlling interests	(8,359)	(4,661)	—	—	—	(13,020)
Cash contribution by partner	—	—	2,000	—	—	2,000
Transactions with non-controlling interests	—	—	—	—	(6)	(6)
(Loss) income	(1,283)	—	(616)	2	(11)	(1,908)
Balance as of December 31, 2020	\$ —	\$ —	\$ 1,384	\$ 1,562	\$ 1	\$ 2,947
Purchases of non-controlling interests	—	—	—	(1,562)	—	(1,562)
Loss	—	—	(2,771)	—	(1)	(2,772)
Balance as of December 31, 2021	\$ —	\$ —	\$ (1,387)	\$ —	\$ —	\$ (1,387)

Purchases of Non-Controlling Interests

Agape

On January 25, 2021, the Company acquired the remaining 20% of the equity interests of Agape from the non-controlling shareholders for 500,000 SVS for total estimated fair value of \$3,425, based on a market price of \$6.85 per share on the date of close. As a result of the transaction, the Company recorded a decrease to non-controlling interests of approximately \$1,562. The Company now owns 100% of the issued and outstanding shares of Agape.

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Dalitso

In November and December 2020, the Company closed on a series of transactions pursuant to which the Company acquired all the remaining 38.24% equity interests of Dalitso for total consideration with an estimated fair value of \$14,846. The consideration comprised of 3,294,478 SVS (with a total fair value of \$12,053), \$381 in cash, and an unsecured convertible promissory note of principal amount \$2,412. Refer to "Promissory Notes Payable" in Note 11 - Debt for details of this convertible promissory note. The SVS were valued based on the closing price of the SVS as of the dates of the transactions. The Company now owns 100% of the issued and outstanding shares of Dalitso.

TGSIH/BHIL

In the first quarter of 2020, previous litigation involving a non-controlling interest holder in BHIL/TGSIH was settled resulting in an agreement for the Company to purchase the remaining approximately 25% interest in BHIL/TGSIH held by the non-controlling interest holders. On February 21, 2020, the Company acquired the remaining approximately 25% interest in TGSIH (the "BHIL NCI Transaction") for total consideration with an estimated fair value of \$4,661 as of the date of the acquisition. The consideration comprised of \$2,000 in cash (of which \$150 related to the legal settlement and was expensed), 633,433 Subordinate Voting Shares (fair value \$811), and \$2,000 in 10% Senior Notes (fair value \$1,325) with 950,148 warrants (fair value \$675) to acquire Subordinate Voting Shares at an exercise price of ~\$1.57 (the exercise price has since been updated to \$1.25 as a result of a subsequent down-round). Refer to Note 13 - Derivative Liabilities for additional information. The terms of the Senior Notes are those described in Note

11 - Debt. Refer to Note 13 - Derivative Liabilities for fair value assumptions for warrants issued and bifurcated from the Senior Notes. The SVS were valued based on the closing price of the Subordinate Voting Shares as of the date of the TGSIH NCI Transaction. The Company now owns 100% of TGSIH.

Jushi Europe

In March 2020, the Company finalized its agreement to expand internationally through the establishment of Jushi Europe. The plan for Jushi Europe was to build out the Company's European presence through a combination of strategic acquisitions, partnerships, and license applications, focused on supplying the highest-quality medical cannabis products to patients throughout Europe. During the first quarter of 2020, \$2,000 in cash was contributed by a non-controlling investor partner. The Company owns 51% of Jushi Europe and is exposed, or has rights, to variable returns from Jushi Europe and has the power to govern the financial and operating policies of Jushi Europe through voting control so as to obtain economic benefits, and therefore the Company has consolidated Jushi Europe from the date of acquisition.

On February 22, 2022, Jushi Europe filed a notice of over-indebtedness with the Swiss courts. As a result of the impending proceedings, the Company determined that the assets of Jushi Europe were impaired and recognized an impairment loss of \$4,561 for the year ended December 31, 2021, which is included in operating expenses in the consolidated statements of operation and comprehensive income (loss). The impairment loss is comprised of fixed asset impairment charges of \$4,451 and other asset write-offs of \$110.

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18. NET INCOME (LOSS) PER SHARE

The reconciliations of the earnings (loss) and the weighted average number of shares used in the computations of basic and diluted EPS are as follows:

	Year Ended December 31,	
	2021	2020
Numerator:		
Net income (loss) and comprehensive income (loss) attributable to Jushi shareholders - basic	\$ 20,251	\$ (210,607)
Dilutive effect of net income from derivative warrants liability	(104,594)	—
Net loss and comprehensive loss attributable to Jushi shareholders - diluted	\$ (84,343)	\$ (210,607)
Denominator:		
Weighted-average shares of common stock - basic	170,292,035	108,485,158
Dilutive effect of derivative warrants	31,318,216	—
Weighted-average shares of common stock - diluted	201,610,251	108,485,158
Net income (loss) per common share attributable to Jushi:		
Basic	\$ 0.12	\$ (1.94)
Diluted	\$ (0.42)	\$ (1.94)

On August 9, 2021, all of the 149,000 previously issued and outstanding Super Voting Shares and all of the 4,000,000 previously outstanding Multiple Voting Shares were converted into Subordinate Voting Shares in accordance with their terms as described in Jushi Holdings Inc.'s Articles of Incorporation. Refer to Note 14 - Equity. The number of basic and diluted weighted-average shares outstanding for the years ended December 31, 2021 and 2020, assumes the conversion of the Multi Voting Share and Super Voting Shares into Subordinate Voting Shares as of the beginning of the year. Other than voting rights, the Multi Voting Shares and Super Voting Shares had the same rights as the Subordinate Voting Shares and therefore all these shares are treated as the same class of common stock for purposes of the earnings (loss) per share calculations.

The weighted-average shares outstanding for the year ended December 31, 2021 includes unvested restricted stock. The weighted-average shares outstanding for the year ended December 31, 2020 excludes unvested restricted stock awards as they are not considered participating securities under ASC 260 *Earnings Per Share*, because although the holders have dividend rights regardless of vesting, they are not obligated to participate in losses until the shares are vested. Shares issued to employees for which a corresponding non-recourse promissory note receivable with the employee is outstanding, are not considered participating securities and are not included in the weighted average shares outstanding.

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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(Amounts Expressed in Thousands of United States Dollars, Unless Otherwise Stated)



The computations of net income (loss) per share for the years ended December 31, 2021 and 2020 exclude any adjustments relating to convertible promissory notes, which are a liability classified, share-settled obligation (refer to Note 11 - Debt), because the shares to be delivered are not participating securities as they do not have voting rights and are not entitled to participate in dividends until they are issued. For purposes of computing diluted earnings (loss) per share for the years ended December 31, 2021, and 2020, outstanding stock options, non-derivative warrants and the convertible notes are considered anti-dilutive because the Company was in a net loss position, or was in a net loss position after adjusting for the effect of the derivative warrants liability. The following summarizes equity instruments that may, in the future, have a dilutive effect on earnings (loss) per share, but were excluded from consideration in the computation of diluted net loss per share for the years ended December 31, 2021 and 2020, because the impact of including them would have been anti-dilutive:

	December 31, 2021	December 31, 2020
Stock options	20,429,120	9,573,834
Warrants (on an as-converted basis)	29,156,048	78,782,136
Convertible promissory notes (on an as-converted basis)	910,000	930,000
	<u>50,495,168</u>	<u>89,285,970</u>

19. OPERATING EXPENSES

The major components of operating expenses are as follows:

	Year Ended December 31,	
	2021	2020
Salaries, wages and employee related expenses	\$ 58,228	\$ 21,781
Other general and administrative expenses ⁽¹⁾	32,652	18,558
Share-based compensation expense	14,506	9,592
Depreciation and amortization expense	5,805	4,154
Goodwill impairment	1,783	—
Asset impairment	4,561	—
Acquisition and deal costs	1,624	810
Total operating expenses	\$ 119,159	\$ 54,895

(1) Other general and administrative expenses are primarily comprised of rent and related expenses, professional fees and legal expenses, marketing and selling expenses, insurance costs, administrative and application fee, software and technology costs, travel, entertainment and conferences and other.

20. OTHER INCOME (EXPENSE)

The components of other expense, net are as follows:

	Year Ended December 31,	
	2021	2020
Gains on business combinations	\$ —	\$ 10,149
Gains (losses) on investments and financial assets	1,216	(2,473)
Losses on debt redemptions/extinguishments/modifications	(3,815)	(1,853)
Gains (losses) on legal settlements	10,350	(2,217)
Other	558	96
Other income, net	\$ 8,309	\$ 3,702

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JUSHI HOLDINGS INC.

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21. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions:

Nature of transaction	Year Ended December 31,		As of December 31,	
	2021	2020	2021	2020
	Related Party Income (Expense)		Related Party Prepaid/Receivable (Payable)	
	\$		\$	
Management services agreements ⁽¹⁾⁽²⁾	\$ (42)	\$ (248)	\$ —	\$ 7
Directors' fees ⁽³⁾	(36)	(200)	(13)	(50)
10% Senior Notes - interest expense and principal amount ⁽⁴⁾⁽⁵⁾	(4)	(2,305)	(1,194)	(25,475)
Loans to senior key management - interest charged and principal plus accrued interest outstanding ⁽⁶⁾	90	21	—	2,470

(1) Includes fees paid to entities controlled by the Company's Chief Executive Officer, James Cacioppo, for shared costs of administrative services, the provision of financial and research-related advice, and sourcing and assisting in mergers, acquisitions and capital transactions. These amounts are included in operating expenses within the consolidated statements of operations and comprehensive income (loss).

(2) Excludes expense from previously issued warrants, which is included in stock-based compensation expense. For the years ended December 31, 2021 and 2020, total expense for warrants issued in connection with these management services agreements was \$106 and \$359. In addition, the Company incurred expense of \$193 in connection with warrants issued in connection with a consulting agreement with a significant investor and former director of the board (Denis Arseneault) during the year ended December 31, 2020. The Company did not issue any additional warrants in connection with these related party consulting and/or management services agreements during the years ended December 31, 2021 and 2020.

(3) Excludes expense from restricted stock awards, which is included in stock-based compensation expense. RSA and stock option expense relating to the Company's board of independent directors were \$615 and \$483 for the years ended December 31, 2021 and 2020, respectively. For the year ended December 31, 2021, the majority of the board of directors' fees were paid in the form of restricted stock or stock options. Refer to Note 15 - Share-Based Compensation and Other Benefits. Joseph Max Cohen resigned from the board of directors during the first quarter of 2021 and Marina Hahn was appointed to the board of directors during the second quarter of 2021.

(4) For the year ended December 31, 2020, interest expense includes amounts related to certain senior key management, directors and other employees as well as a significant investor. Interest expense for the year ended December 31, 2021 cannot be reliably determined as the majority of the senior notes are publicly traded since December 2020 and the majority of the notes for related parties were sold and/or redeemed during the year ended December 31, 2021. Principal amounts outstanding as of December 31, 2021 and 2020 are also estimates for this reason.

(5) Refer to "Senior Notes" in Note 11 - Debt for information on the Senior Notes redemptions which occurred in January and February of 2021. Of the total amount of Senior Notes redeemed in January 2021, \$3,072 was estimated to be related to related parties including certain senior management, a significant shareholder and employees. In February 2021, certain senior key management and a significant investor sold their remaining principal amounts of publicly traded 10% Senior Notes totaling \$19,219.

- (6) In connection with tax elections related to the issuance of certain restricted stock to key management personnel during the year ended December 31, 2020, the Company paid taxes totaling \$2,450 on behalf of these employees, for which promissory notes were issued in October of 2020, and which amounts, including accrued interest, were included in other non-current assets as of December 31, 2020. Refer to Note 9 - Other Non-Current Assets. The promissory notes bore interest at 5% compounded annually, which was payable on maturity. In January 2021, an executive received a loan from the Company of \$174 for withholding tax requirements for RSAs issued to the executive, which was repaid in full via payroll deductions. In April 2019, the Company entered into promissory notes with certain executives for the purchase of restricted stock, pursuant to which those executives borrowed an aggregate of \$1,813 at a rate of 2.89% per annum, compounded annually. As these loans were non-recourse loans under the accounting guidance they were not reflected in the consolidated balance sheet or table above. As of December 31, 2021, all these balances plus accrued interest have been settled. The balances including accrued interest were settled as part of the executive's regular pay and bonus, severance or via shares repurchased by the Company. During the year ended December 31, 2021, the Company received 471,757 shares from key management personnel in full settlement of principal amount \$2,007 outstanding promissory notes and related interest.

Refer to "Other Debt" in Note 11 - Debt for details of other loans from related parties.

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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22. COMMITMENTS AND CONTINGENCIES

Contingencies

Although the possession, cultivation and distribution of cannabis for medical use is permitted in certain states, cannabis is classified as a Schedule-I controlled substance under the U.S. Controlled Substances Act and its use remains a violation of federal law. The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management believes that the Company is in material compliance with applicable local and state regulations as of December 31, 2021, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company could be subject to regulatory fines, penalties or restrictions at any time. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely result in the Company's inability to proceed with the Company's business plans. In addition, the Company's assets, including real property, cash and cash equivalents, equipment, inventory and other goods, could be subject to asset forfeiture because cannabis is still federally illegal.

Refer to Note 16 - Income Taxes for certain tax related contingencies and to Note 7 - Acquisitions for an acquisition-related contingent consideration liability.

Claims and Litigation

Any proceeding that may be brought against the Company could have a material adverse effect on the Company's business plans, financial condition and results of operations. From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. Except as disclosed below, as of December 31, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's financial results. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

SFN Litigation

On March 19, 2018, the Company acquired a majority stake in TGS National Holdings LLC which controlled TGS National Franchise, LLC ("TGS NF"), a franchisor. During 2018, San Felasco Nurseries, Inc. ("SFN") terminated franchise agreements between it and TGS NF. SFN then sold its business to a third-party. TGS NF contended the termination of the franchise agreements and sale to the third party were wrongful and in late 2018 initiated arbitration seeking to recover its monetary damages. In May 2020, Jushi FL SPV, LLC was substituted for TGS NF as the claimant in the arbitration. The final hearing in the arbitration was held in May 2021. In July 2021, three arbiters of the American Arbitration Association found that SFN improperly terminated its franchise agreements with Jushi FL SPV, LLC without cause and in bad faith. The parties confidentially agreed to payment terms. Pursuant to a separate contract, a third party was entitled to receive 25% of the recovery of the arbitration, net of all fees and costs related to SFN. During the year ended December 31, 2021, the Company received the settlement payment, and after deducting expenses, fees and the 25% due to a third party, recognized a net gain on legal settlement of \$10,248 which is included in gains on legal settlements within other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

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JUSHI HOLDINGS INC.

Notes to the Consolidated Financial Statements

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Refer to Note 17 - Non-Controlling Interests for discussion of the bankruptcy of Jushi Europe.

Commitments

In addition to the contractual obligations outlined in Note 11 - Debt and Note 12 - Lease Obligations, the Company has the following commitments as of December 31, 2021:

(i) Acquisitions

NuLeaf

In November 2021, the Company entered into a definitive agreement to acquire NuLeaf, Inc. together with its subsidiaries and related companies (collectively, "NuLeaf"), a Nevada-based vertically integrated operator. NuLeaf currently operates two high-performing adult-use and medical retail dispensaries in Las Vegas, NV and Lake Tahoe, NV, in addition to a 27,000 sq. ft. cultivation facility in Sparks, NV, as well as a 13,000 sq. ft. processing facility in Reno, NV. Additionally, NuLeaf owns a third licensed retail dispensary located directly on Las Vegas Boulevard. Refer to Note 24 - Subsequent Events

Apothecarium

In September 2021, the Company entered into a definitive agreement to acquire 100% of the equity interest of an entity operating an adult-use and medical retail dispensary

under the name The Apothecarium in Las Vegas, NV (“Apothecarium”). The Apothecarium acquisition, together with the prior acquisition of FBS Nevada, a holder of medical and adult-use cannabis cultivation, processing, and distribution licenses, will enable the Company to become vertically integrated in Nevada, as well as provide significant branding exposure for Jushi’s high-quality product lines. Refer to Note 24 - Subsequent Events.

(ii) Property and Construction Commitments

In connection with various license applications, the Company may enter into conditional leases or other property commitments which will be executed if the Company is successful in obtaining the applicable license and/or resolving other contingencies related to the license or application.

In addition, the Company expects to incur capital expenditures for leasehold improvements and construction of buildouts of certain locations, including for properties for which the lease is conditional on obtaining the applicable related license or for which other contingencies exist. If the Company were to be unsuccessful in obtaining a particular license or certain other conditions are not met, the previously capitalized improvements and buildouts relating to that license may need to be expensed in future periods in the statements of operations and comprehensive income (loss).

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JUSHI HOLDINGS INC.

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Concentration Risk

The Company has a geographical concentration of revenues from external customers as follows:

	Year Ended December 31,	
	2021	2020
Pennsylvania	49%	55%
Illinois	37%	41%

23. FINANCIAL INSTRUMENTS

The following table sets forth the Company’s financial assets and liabilities, subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Non-current equity investment	\$ —	\$ —	\$ 1,500	\$ 1,500
	\$ —	\$ —	\$ 1,500	\$ 1,500
Financial liabilities:				
Derivative liabilities	\$ —	\$ —	\$ 92,435	\$ 92,435
Contingent consideration liabilities	\$ —	\$ —	\$ 8,223	\$ 8,223
	\$ —	\$ —	\$ 100,658	\$ 100,658

The following table sets forth the Company’s financial assets and liabilities, subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in securities-shares	\$ 6,026	\$ —	\$ —	\$ 6,026
Investments in securities-warrants	—	1,908	—	1,908
Non-current equity investment	—	—	1,500	1,500
	\$ 6,026	\$ 1,908	\$ 1,500	\$ 9,434
Financial liabilities:				
Derivative liabilities	\$ —	\$ —	\$ 205,361	\$ 205,361
	\$ —	\$ —	\$ 205,361	\$ 205,361

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and certain accrued expenses, and certain other assets and liabilities held at amortized cost, approximate their fair values due to the short-term nature of these instruments. The non-current equity investment approximates its fair value at December 31, 2021 and 2020. The carrying amounts of the promissory notes approximate their fair values as the effective interest rates are consistent with market rates. The fair value of the 10% Senior Notes as of December 31, 2021 and 2020 approximated the principal amount.

There were no transfers between hierarchy levels during the years ended December 31, 2021 and 2020.

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JUSHI HOLDINGS INC.

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24. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 16, 2022, which is the date these consolidated financial statements were approved by the board of directors of the

Company.

Private Placements

In January 2022, the Company closed non-brokered private placement offerings for an aggregate 3,717,392 SVS at a price of \$3.68 per share to an existing investor group for aggregate gross proceeds of \$13,680.

Acquisitions

In March and April 2022, the Company closed on the Apothecarium and the NuLeaf acquisitions, respectively. The Company drew down \$25,000 from the Acquisition Facility to fund the cash portion of these transactions. For the NuLeaf acquisition, the Company paid upfront consideration comprised of \$15,750 in cash, subject to working capital adjustments, issued 4,662,384 SVS (with a grant date fair value of \$2.87 each), issued \$15,750 in an unsecured five-year note, and may pay up to \$10,000 in potential earn-out consideration based on receiving certain regulatory approval. For the Apothecarium acquisition, the Company issued 527,704 SVS (with a grant date fair value of \$3.79 each), issued a \$10,000 five-year note, and paid \$6,000 in cash, subject to adjustments, and may pay up to \$2,000 in potential earn out consideration based on the achievement of certain financial metrics. In addition, the Company issued 101,082 SVS for broker fees in connection with the acquisition.

Other than the information already disclosed in Note 22 - Commitments and Contingencies, the Company is still in the process of gathering and preparing additional disclosure information for these acquisitions, including preliminary purchase price allocations and pro forma financial information. Due to the timing of the acquisitions, the Company is not able to provide additional information at this time.

25. CORRECTION OF ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

In the process of preparing the Company's first quarter 2022 financial statements, the Company identified a misstatement related to the classification of interest payments on its finance leases in the consolidated statement of cash flows for the year end December 31, 2021. Consequently, the Company restated the classification of interest payments which resulted in an increase in net cash flows used in operating activities from \$7,928 (as previously reported) to \$14,304 (as restated) and a corresponding increase in net cash flows provided by financing activities from \$131,287 (as previously reported) to \$137,663 (as restated) for the year ended December 31, 2021. In addition, the Company restated the supplemental cash flow information for cash paid for interest (excluding capitalized interest) from \$7,422 (as previously reported) to \$13,798 (as restated). These corrections did not have an impact on the net change in cash and cash equivalents and restricted cash during the period.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Subordinate Voting Shares

Jushi

PROSPECTUS

, 2022

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee.

	Amount
SEC registration fee	\$
Accountants' fees and expenses	*
Legal fees and expenses	*
Printing expenses	*
Miscellaneous	*
Total expenses	\$

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

We are subject to the provisions of Part 5, Division 5 of the *Business Corporations Act* (British Columbia).

Under Section 160 of the *Business Corporations Act* (British Columbia), we may, subject to Section 163 of the *Business Corporations Act* (British Columbia):

- (a) indemnify an individual who:
 - (i) is or was a director or officer of Jushi,
 - (ii) is or was a director or officer of another corporation (A) at a time when such corporation is or was an affiliate of Jushi; or (B) at our request, or
 - (iii) at our request, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity, including, subject to certain limited exceptions, the heirs and personal or other legal representatives of that individual (collectively, an “eligible party”), against all eligible penalties, defined below, to which the eligible party is or may be liable; and
- (b) after final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, where:
 - (i) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding,
 - (ii) “eligible proceeding” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, Jushi or an associated corporation (A) is or may be joined as a party, or (B) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding,

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

- (iii) “expenses” includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding, and
- (iv) “proceeding” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Under Section 161 of the *Business Corporations Act* (British Columbia), and subject to Section 163 of the *Business Corporations Act* (British Columbia), we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party (a) has not been reimbursed for those expenses and (b) is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

Under Section 162 of the *Business Corporations Act* (British Columbia), and subject to Section 163 of the *Business Corporations Act* (British Columbia), we may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of the proceeding, provided that we must not make such payments unless we first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited under Section 163 of the *Business Corporations Act* (British Columbia), the eligible party will repay the amounts advanced.

Under Section 163 of the *Business Corporations Act* (British Columbia), we must not indemnify an eligible party against eligible penalties to which the eligible party is or may be liable or pay the expenses of an eligible party in respect of that proceeding under Sections 160, 161 or 162 of the *Business Corporations Act* (British Columbia), as the case may be, if any of the following circumstances apply:

- (a) if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, we were prohibited from giving the indemnity or paying the expenses by our memorandum or Articles;
- (b) if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, we are prohibited from giving the indemnity or paying the expenses by our memorandum or Articles;
- (c) if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of Jushi or the associated corporation, as the case may be; or
- (d) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party’s conduct in respect of which the proceeding was brought was lawful.

If an eligible proceeding is brought against an eligible party by or on behalf of our company or by or on behalf of an associated corporation, we must not either indemnify the eligible party under Section 160(a) of the *Business Corporations Act* (British Columbia) against eligible penalties to which the eligible party is or may be liable, or pay the expenses of the eligible party under Sections 160(b), 161 or 162 of the *Business Corporations Act* (British Columbia), as the case may be, in respect of the proceeding.

Under Section 164 of the *Business Corporations Act* (British Columbia), and despite any other provision of Part 5, Division 5 of the *Business Corporations Act* (British Columbia) and whether or not payment of expenses or indemnification has been sought, authorized or declined under Part 5, Division 5 of the *Business Corporations Act* (British Columbia), on application of our company or an eligible party, the court may do one or more of the following:

- (a) order us to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;
- (b) order us to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

- (c) order the enforcement of, or any payment under, an agreement of indemnification entered into by us;
- (d) order us to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under Section 164 of the *Business Corporations Act* (British Columbia); or

(e) make any other order the court considers appropriate.

Section 165 of the *Business Corporations Act* (British Columbia) provides that we may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation.

Pursuant to Article 20 of our Articles relating to indemnification, subject to the *Business Corporations Act* (British Columbia), we must indemnify an individual, whom our Articles refer to as an “eligible party”, and such eligible party’s heirs and legal personal representatives, against all judgements, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action, whether current, threatened, pending or completed, in which an eligible party or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of Jushi is or may be joined as a party, or is or may be liable in respect of a judgement, penalty or fine in, or expenses related to, the proceeding. Our Articles define the term “eligible party” to mean an individual who (i) is or was a director or officer of Jushi, (ii) is or was a director or officer of another corporation, (A) at a time when that other corporation is or was an affiliate of our company or, (B) at the request of Jushi, or (iii) at the request of Jushi, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity.

Accordingly, we enter into substantially similar indemnification agreements with each director and officer upon their election or appointment with the company. These agreements provide that we’ll indemnify these individuals to the maximum extent permitted by applicable law, including the *Business Corporations Act* (British Columbia), against liabilities they may incur in their capacity as a director and/or officer of the Jushi, provided they acted honest and in good faith with a view to the best interests of Jushi and had reasonable grounds believe that their conduct in such capacity was lawful.

Our Articles also permit Jushi to purchase and maintain insurance against any liability incurred by an individual (or his or her heirs or personal legal representatives) who (i) is or was a director, officer, employee or agent of our company, (ii) is or was a director, officer, employee or agent of another corporation at a time when the other corporation is or was an affiliate of Jushi, (iii) at the request of Jushi, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity, (iv) at the request of Jushi, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity, where such liability is or was incurred by such individual as such director, officer, employee or agent or person who holds or held such equivalent position.

We maintain policies of insurance under which coverage is provided to our directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act, and under which coverage is provided to us with respect to payments which we may make to such directors and officers pursuant to the above indemnification provisions or otherwise.

Item 15. Recent Sales of Unregistered Securities.

The following information represents securities we sold within the past three years that were not registered under the Securities Act. Included are new issues, securities issued in exchange for property, services or other securities, securities issued upon conversion from other share classes and new securities resulting from the modification of outstanding securities. We sold all of the securities listed below pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act, or Rule 701, Regulation D or Regulation S promulgated thereunder.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

In February and March 2018, Jushi Inc completed non-brokered private placements of an aggregate of 14,944,658 units (each unit consisting of one share of Jushi Inc common stock and one common share purchase warrant) to a series of investors at a price of \$0.50 per unit for aggregate gross proceeds of \$7.5 million (the Management Rounds). Certain NEOs and directors of the Company participated in the Management Rounds.

On March 19, 2018 Jushi Inc issued 5,000,000 shares of Jushi Inc’s common stock and warrants to purchase 2,500,000 shares of Jushi Inc.’s common stock as part of a series of series of transactions pursuant to which Jushi Inc acquired 51% of the outstanding equity interests of TGS National Holdings, LLC from the sellers. On January 29, 2020, a majority of the Jushi Inc common stock and warrants were returned to Jushi as part of a settlement agreement with TGS National Holdings, LLC.

Between March and October 2018, Jushi Inc completed non-brokered private placements of an aggregate of 37,194,281 units (each unit consisting of one share of Class B Common Stock and one-half of a warrant to purchase a share of Class B common stock) for total gross proceeds of \$42.8 million (the Initial Equity Rounds). Certain NEOs and directors of the Company participated in the Initial Equity Rounds.

In March 2019, Jushi Inc completed a non-brokered private placement of 8,080,000 units (each unit consisting of one share of Class B Common Stock and one-half of a warrant to purchase a share of Class B Common Stock) for gross proceeds of \$16.1 million (the Additional Equity Round). Certain NEOs and directors of the Company participated in the Additional Equity Round.

In connection with our acquisition of Medicinal Excellence in Neurological Disorders, LLC (MEND), we issued 806,250 Subordinate Voting Shares to the sellers on November 7, 2018 and May 5, 2019. Additionally, in accordance with the terms of the Advisory and Consulting Agreement and the Data Purchase Agreement related to the MEND transaction on May 5, 2019, we issued \$312,500 worth of senior Subordinated Voting Shares with a three-year vesting period to one of the sellers for services rendered to the Company.

On June 7, 2019, we issued 2,267,500 Subordinate Voting Shares to the owners of HMS, LLC in exchange for certain assets and consulting agreements. We thereafter issued 300,000 restricted Subordinate Voting Shares in connection with employment relationships established pursuant to this transaction.

On July 10, 2019, we issued 3,372,942 Subordinate Voting Shares to the members of Franklin Bioscience – Penn LLC (FBS Penn) and its subsidiaries in exchange for 100% of the membership interests of FBS Penn.

On September 23, 2019, we issued 2,095,000 Subordinate Voting Shares, 1,047,500 warrants to purchase Subordinate Voting shares and \$2.7 million in convertible promissory notes (exercisable for Subordinate Voting Shares prior to September 23, 2021 at \$6.00 per share) to the owners of Dalitso in exchange for 61.765% of the membership interests in Dalitso.

On February 21, 2020, we issued 633,433 Subordinate Voting Shares and 950,148 warrants to purchase Subordinate Voting Shares to the owners of TGS National Holdings, LLC in exchange for approximately 25% of the equity interest in TGS Illinois Holdings, LLC.

On June 25, 2020, we issued 769,231 Subordinate Voting Shares and 633,433 warrants to purchase Subordinate Voting Shares in connection with our acquisition of 80% of the outstanding equity securities of Agape.

On October 21, 2020, we issued an aggregate of 11,500,000 Subordinate Voting Shares to a series of investors for total gross proceeds of C\$40.8 million. Canaccord Genuity acted as the sole bookrunner to a syndicate of underwriters including Beacon Securities Limited, Eight Capital and PI Financial Corp.

From November 2, 2020 to December 2, 2020, we issued 4,200,000 Subordinate Voting Shares to certain of the minority owners of Dalitso for the remaining 38.235% of the

membership interests in Dalitso.

On November 13, 2020, we issued an additional 375,000 Subordinate Voting Shares at \$2.81 per share to the sellers in the MEND transaction under a settlement agreement.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

On November 24, 2020, we exercised our right to accelerate the expiration of certain outstanding warrants issued to participants in the Initial Equity Rounds. In connection with the acceleration of the applicable warrants, we issued 15,800,376 Subordinate Voting Shares and received cash proceeds of approximately \$31.9 million.

On December 24, 2020, we exercised our right to accelerate the expiry date of certain outstanding warrants issued to participants in the Additional Equity Round. In connection with the acceleration of the applicable warrants, we issued 3,643,750 Subordinate Voting Shares and received cash proceeds of \$10.8 million.

On January 5, 2021, we issued an aggregate of 6,210,000 Subordinate Voting Shares to a series of investors for total gross proceeds of C\$40.4 million. Canaccord Genuity Corp. and Beacon Securities Ltd. acted as the underwriters for the offering.

On January 26, 2021, we issued 500,000 Subordinate Voting Shares in connection with our acquiring the remaining 20% of the outstanding equity securities of Agape.

On February 11, 2021, we issued an aggregate of 7,475,000 Subordinate Voting Shares to a series of investors for total gross proceeds of C\$74.8 million. Canaccord Genuity Corp. acted as sole bookrunner for the offering. Canaccord Genuity Corp. and Beacon Securities Ltd. acted as the underwriters for the offering.

On March 4, 2021, we issued 49,348 Subordinate Voting Shares as part of the consideration in connection with our acquisition of approximately 78% of the equity of a retail license holder located in Grover Beach, California with the option to acquire the remaining equity in the future.

On September 10, 2021, we issued 8,700,000 Subordinate Voting Shares in connection with our acquisition of Nature's Remedy.

On January 26, 2022, we completed a non-brokered private placement offering of an aggregate of 2,717,392 Subordinate Voting Shares at a price of \$3.68 per share to Graticule Asset Management Asia for gross proceeds of \$10.0 million. On January 31, 2022, we completed a non-brokered private placement offering of an aggregate of 1,000,000 Subordinate Voting Shares at a price of \$3.68 per share to Kenneth Rosen and group for gross proceeds of \$3.7 million.

On March 16, 2022, we issued an aggregate of 527,704 Subordinate Voting Shares in connection with our acquisition of Apothecarium.

On April 6 and April 8, 2022, we issued an aggregate of 4,763,466 Subordinate Voting Shares in connection with our acquisition of NuLeaf.

Stock Option, Restricted Stock Award, and Warrant Grants and Exercises

Since February 1, 2018, we issued to certain employees, directors and consultants options to purchase an aggregate of 29,805,783 Subordinate Voting Shares, of which, as of July 6, 2022, 3,369,480 options have been exercised. Also, 6,257,187 options have been forfeited with 20,379,120 options remaining outstanding at a weighted average exercise price of \$3.23 per share for options. NEOs and directors have received options.

Since February 1, 2018, we issued to certain employees, directors and consultants restricted stock awards to purchase an aggregate of 9,636,131 Subordinate Voting Shares, of which, as of July 6, 2022, 6,118,215 restricted stock awards have vested. Also, 760,626 restricted stock awards have been forfeited with 2,757,290 restricted stock awards remaining outstanding at a weighted average exercise price of \$2.37 per share for restricted stock awards. NEOs and directors have received options.

Since February 1, 2018, we issued to certain employees, directors and consultants warrants to purchase an aggregate of 128,439,033 Subordinate Voting Shares, of which, as of July 6, 2022, 38,889,174 warrants have been exercised. Also, 2,192,036 warrants have been forfeited with 65,369,295 warrants remaining outstanding at a weighted average exercise price of \$1.19 per share for warrants. NEOs and directors have received options.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Item 16. Exhibits and Financial Statement Schedules.

EXHIBIT INDEX

Exhibit No.	Description
2.1	Letter Agreement, dated November 2, 2018, by and between Jushi Inc and Tanzania Minerals Corp.
3.1	Articles of Jushi Holdings Inc., as amended
4.1	Subordinate Voting Shares Specimen Stock Certificate
4.2	Trust Indenture, dated November 20, 2020, by and between Jushi Holdings Inc. and Odyssey Trust Company
4.3	Form of 10% Senior Secured Note of Jushi Holdings Inc.
4.4	Credit Agreement, dated as of October 20, 2021, by and among Jushi Holdings Inc., the other loan parties that are party thereto, the lenders that are party thereto, and Roxbury, LP
4.5	Limited Waiver and First Amendment to Credit Agreement, dated as of April 29, 2022, by and among Jushi Holdings Inc, the other loan parties signatory thereto and Roxbury, LP
4.6	Form of Transaction Warrant of Jushi Holdings Inc.
4.7	Form of Debt Warrant of Jushi Holdings Inc.

4.8	Form of Broker Warrant of Jushi Holdings Inc.
4.9	Form of Equity Round Warrant of Jushi Inc
4.10	Form of Management Round Warrant of Jushi Inc
4.11	Form of Consulting Warrant of Jushi Holdings Inc
5.1 *	Opinion of Stikeman Elliott LLP
10.1^	Merger and Membership Interest Purchase Agreement, dated April 16, 2021, by and among Jushi MA, Inc., Jushi Inc, Jushi Holdings Inc., Sammartino Investments LLC, Nature's Remedy of Massachusetts, Inc., McMann LLC, Valiant Enterprises, LLC, John Brady, Robert Carr and Justin Lundberg.
10.2	First Amendment to Merger and Membership Interest Purchase Agreement, dated May 13, 2021, by and between Sammartino Investments LLC Jushi Inc
10.3	Second Amendment to Merger and Membership Interest Purchase Agreement, dated September 7, 2021, by and between Sammartino Investments LLC Jushi Inc
10.4+^	Equity Purchase Agreement, dated as of June 4, 2019, by and among Franklin BioScience – Penn LLC, Franklin Group, LLC, Matt Varga, Alex Hazzouri, Ed Hazzouri, Ray Angeli, Hazzouri & Associates, LLC, Franklin Bioscience, LLC, Jushi Inc and the other Persons holding membership interests in Franklin BioScience – Penn, LLC
10.5+^	Lease, dated April 6, 2018, by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC
10.6	First Amendment to Lease Agreement, dated December 7, 2018, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

10.7	Second Amendment to Lease Agreement, dated January 14, 2020, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC
10.8	Third Amendment to Lease Agreement, dated April 10, 2020, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC
10.9	Fourth Amendment to Lease Agreement, dated August 25, 2020, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC
10.10	Fifth Amendment to Lease Agreement, dated April 1, 2021, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC
10.11+	Amended and Restated Lease Agreement, dated April 22, 2020, by and between CSS I LLC and Valiant Enterprises, LLC
10.12	Lease Amendment # 1, dated October 21, 2020, by and between CSS I LLC and Valiant Enterprises, LLC
10.13+	Second Amendment to Lease, dated January 12, 2022, by and between TAC Vega MA Owner, LLC and Valiant Enterprises, LLC
10.14	Standard Form of Commercial Lease, dated October 29, 2018, by and between Valiant Enterprises, LLC and Nature's Remedy of Massachusetts, Inc.
10.15#	Form of Stock Option Grant and Agreement for Directors
10.16#	Form of Stock Option Grant and Agreement for Employees and Certain Named Executive Officers
10.17#	Form of Stock Option Grant and Agreement for Other Named Executive Officers
10.18#	Form of Restricted Stock Grant and Agreement for Directors
10.19#	Form of Restricted Stock Grant and Agreement for Employees and Certain Named Executive Officers
10.20#	Form of Restricted Stock Grant and Agreement for Other Named Executive Officers
10.21#	Employment Agreement, dated May 1, 2019 by and between JMGT, LLC and Louis Jon Barack
10.22#	Bonus Letter, dated June 9, 2020, by and between Jushi Holdings, Inc. and Louis Jon Barack
10.23#	Employment Agreement, dated May 24, 2021 by and between JMGT, LLC and Leonardo Garcia-Berg
10.24#	Employment Agreement, dated October 5, 2021 by and between JMGT, LLC and Edward Kremer
10.25#	Jushi Holdings Inc. 2019 Equity Incentive Plan
10.26#	Employment Agreement, effective January 1, 2022, by and between JGMT, LLC and James Cacioppo.
16.1*	Letter from MNP LLP
21.1	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm (Marcum LLP)
24.1*	Power of Attorney (included on signature page)

- * To be filed by amendment.
- # Management contract or compensatory plan or arrangement.
- + Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.
- ^ Certain confidential portions of this exhibit were omitted by means of marking such portions with asterisks because the identified confidential portions (i) are not material and (ii) are the type that the registrant treats as private or confidential.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

- (a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by section 10(a)(3) of the Securities Act;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission (SEC) pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, That: Paragraphs (a)(i), (a)(ii), and (a)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to section 13 or 15(d) of the Securities Exchange Act that are incorporated by reference in the registration statement.

- (b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (d) That, for the purpose of determining liability under the Securities Act to any purchaser:
 - (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Boca Raton, Florida, on 2022.

JUSHI HOLDINGS INC.

By: _____

Name: James Cacioppo

Title: Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned officers and directors of Jushi Holdings Inc., hereby constitute and appoint James Cacioppo and Edward Kremer, and each of them, his or her true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments, to this Registration Statement, and any registration statement relating to the offering covered by this Registration Statement and filed pursuant to Rule 462 under the Securities Act, and to file the same, with exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or their substitute or substitutes may lawfully so or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
James Cacioppo	Chief Executive Officer and Chairman of the Board of Directors (principal executive officer)	
Edward Kremer	Chief Financial Officer (principal financial and accounting officer)	
Peter Adderton	Director	
Benjamin Cross	Director	
Marina Hahn	Director	
Stephen Monroe	Director	
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TANZANIA MINERALS CORP.

CONFIDENTIAL

November 2, 2018

Jushi Inc.
 225 NE Mizner Blvd., Suite 720
 Boca Raton, FL 33432

Attention: Jon Barack, EVP

Dear Sirs:

Re: Acquisition of Issued and Outstanding Voting Shares of Jushi Inc.

This letter agreement ("**Letter Agreement**") sets out our mutual understanding of the basic terms and conditions upon which Tanzania Minerals Corp. ("**Acquiror**") will become the indirect holder of all of the issued and outstanding voting shares of Jushi Inc. ("**Jushi**"). Acquiror is a "reporting issuer" in the Provinces of British Columbia and Alberta (together, the "**Reporting Provinces**"), and it is intended that the Transaction (as defined herein) will result in a reverse take-over of the Acquiror by Jushi and its securityholders and the listing of the shares of Acquiror on the Canadian Securities Exchange ("**CSE**") as of the effective time of the Transaction.

The acceptance of this Letter Agreement will be followed by the negotiation of definitive documentation (the "**Transaction Documents**") setting forth the detailed terms of the Transaction and containing the material terms and conditions set out in this Letter Agreement and such other terms and conditions as are customary for transactions of the nature and magnitude contemplated herein. All documentation shall be in form and content satisfactory to Jushi, acting reasonably.

Subject to the conditions set forth herein, the terms of this Letter Agreement are intended to create binding obligations on Acquiror and Jushi.

Terms of Transaction and Related Matters

1. Subject to the terms hereof, Acquiror and Jushi will enter into a business combination by way of an amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions that have a similar effect (the "**Transaction**"). The parties agree that the final structure of the Transaction is subject to receipt of final tax, corporate and securities law advice for both Acquiror and Jushi; provided that the Transaction shall be structured so as to provide the shareholders of Jushi with any appropriate tax benefits as determined by Jushi.
2. It is understood that the authorized share capital of Acquiror consists of an unlimited number of common shares without nominal or par value (the "**Acquiror Shares**") and an unlimited number of preferred shares (the "**Acquiror Preferred Shares**"), of which, immediately prior to the closing of the Transaction (i) no more than such number of Acquiror Shares will be issued and outstanding such that existing holders of Acquiror Shares will receive upon completion of the Transaction Acquiror Consolidated Shares (as defined below) in an amount that are equivalent to in aggregate \$2,660,000 based on the Subscription Receipt Offering Price or as determined by Jushi (the "**Maximum Acquiror Shares**") and no other Acquiror Consolidated Shares will be reserved for issuance or be issuable, whether pursuant to any convertible securities of Acquiror or otherwise, and (ii) no Acquiror Preferred Shares will be issued and outstanding nor be reserved for issuance or be issuable, whether pursuant to any convertible securities of Acquiror or otherwise.

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3. Prior to the completion of the Transaction, the Acquiror will diligently seek shareholder approval, including by way of calling and holding a meeting of its shareholders (the "**Acquiror Shareholder Meeting**") in accordance with applicable corporate and securities laws, to effect (i) the creation of a new class or classes of shares of the Acquiror (collectively, the "**New Shares**"), as determined to be necessary by Jushi upon receipt of final tax, corporate and securities law advice, which New Shares shall have economic and/or voting rights equivalent, superior (super voting) or subordinate to the Acquiror Consolidated Shares and shall be convertible into or exchangeable or redeemable for Acquiror Consolidated Shares, in each case with such terms and conditions as proposed by Jushi; (ii) the election of nominees of Jushi to the board of directors of Acquiror, and the creation of the applicable number of casual vacancies on the board of directors of Acquiror as requested by Jushi, conditional upon the completion of the Transaction; (iii) the Transaction or a component thereof (as may be required by the CSE or the NEX board of the TSX Venture Exchange (the "**NEX**") (collectively, the "**Exchanges**") or as appropriate in lieu of one or more of the foregoing resolutions); and (iv) such other matters as Jushi may reasonably request in connection with the completion of the Transaction.
4. Prior to the completion of the Transaction, Jushi may complete one or more private placements of subscription receipts (the "**Subscription Receipts**") directly or through a special purpose corporation ("**Finco**") at a price per Subscription Receipt (the "**Subscription Receipt Offering Price**") to be determined in the context of the market, to raise aggregate gross proceeds as may be agreed to by the applicable parties to such private placement (the "**Private Placement**"). All Subscription Receipts issued would be convertible, for no additional consideration, into one common share of Finco (each, a "**Finco Share**") for each Subscription Receipt, which securities of Finco shall be exchanged by the holders thereof for economically equivalent securities of Acquiror, by way of an amalgamation (the "**Amalgamation**") among Acquiror and/or Finco and a subsidiary of Acquiror or other appropriate entity, by way of a share exchange transaction between Acquiror and the holders of Finco Shares that occurs in connection with an Amalgamation or by way of a transaction with similar effect, in connection with the completion of the Transaction, and which securities of Acquiror shall be freely-tradable in each of the provinces and territories of Canada.
5. Pursuant to the applicable steps of the Transaction, including the Amalgamation, the equity capital of Acquiror and Jushi shall be reorganized such that:
 - (a) existing shareholders of Acquiror and holders of Finco Shares shall become holders of post-Consolidation (as defined below), post-Amalgamation Acquiror Shares (each, an "**Acquiror Consolidated Share**");
 - (b) any convertible securities of the Acquiror shall be reorganized such that they are converted or otherwise exercisable to acquire New Shares based on adjustments in price and the number of shares to be acquired calculated to take into account the consolidation ratio;
 - (c) Acquiror shall become the indirect holder of all voting rights of Jushi;
 - (d) all of the existing shares of Jushi may be reorganized such that they are converted or otherwise exchanged for New Shares;

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- (e) any convertible notes of Jushi shall be reorganized as may be determined to be appropriate by Jushi;
 - (f) any warrants of Jushi shall be reorganized as may be determined to be appropriate by Jushi; and
 - (g) holders of any other convertible securities of Jushi shall be reorganized as may be determined to be appropriate by Jushi.
6. Jushi covenants and agrees to forthwith complete the preparation of financial statements as required by the CSE and applicable securities laws, which will include audited annual financial statements for its most recently completed fiscal year and if, and as required, interim financial statements for its most recently completed interim period following its most recently completed fiscal year, all as audited or reviewed by the auditors of Jushi as required by, and in accordance with, applicable securities regulations and the policies of the CSE.
7. Upon closing of the Transaction, all directors of the Acquiror shall resign and the board of directors of the Acquiror shall be reconstituted in accordance with the applicable approval at the Acquiror Shareholder Meeting (including with the applicable number of casual vacancies on the board of directors of the Acquiror as requested by Jushi), and all officers of the Acquiror shall resign and be replaced by nominees of Jushi, in a manner that complies with the requirements of the CSE and applicable securities and corporate laws.

Conditions Precedent

8. The completion of the Transaction shall be subject to the following conditions precedent being satisfied prior to the date of closing of the Transaction (the **Closing Date**):

(a) Conditions Precedent for the Benefit of Acquiror:

- (i) other than approval of the board of directors of Acquiror, receipt of all required approvals and consents for the Transaction and all related matters and for this Letter Agreement and the Transaction Documents, including without limitation:
 - A. the receipt of all requisite approvals of Acquiror's shareholders, as required by the Exchanges or applicable corporate or securities laws to implement the Transaction;
 - B. the approval of CSE for the listing of the Acquiror Consolidated Shares;
 - C. the approval of the NEX in respect of the delisting of the Acquiror Shares from the NEX; and
 - D. the approval of any third parties from whom Jushi must obtain consent including any lenders or financial institutions;
- (ii) the representations and warranties of Jushi contained in this Letter Agreement and the Transaction Documents addressed to Acquiror shall be true and correct in all material respects as of the Closing Date, other than as a result of any change, agreed upon by the parties, in any component of the Transaction or any transactions related thereto;

- (iii) there being no prohibition under applicable laws against consummation of the Transaction;
 - (iv) no inquiry or investigation (whether formal or informal) in relation to Jushi or its directors, or officers, as applicable, shall have been commenced or threatened by the Exchanges, any relevant securities commission or other federal, state or local regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a material adverse effect on Acquiror after giving effect to the Transaction;
 - (v) Jushi shall be in compliance in all material respects with the terms of this Letter Agreement and the Transaction Documents;
 - (vi) the Private Placement shall have been completed, as applicable; and
 - (vii) all directors and officers of Acquiror and any subsidiary of Acquiror shall have received releases from the Acquiror in form and substance acceptable to them, acting reasonably.
- (b) Conditions Precedent for the Benefit of Jushi:
- (i) other than approval of the board of directors of Jushi, receipt of all required approvals and consents for the Transaction and all related matters and for this Letter Agreement and the Transaction Documents, including without limitation:
 - A. the receipt of all requisite approvals of Acquiror's shareholders, as required by the Exchanges or applicable corporate or securities laws to implement the Transaction;
 - B. the approval of CSE for the listing of the Acquiror Consolidated Shares;
 - C. the approval of the NEX in respect of the delisting of the Acquiror Shares from the NEX;
 - D. the approval of any third parties from whom Jushi must obtain consent including any lenders or financial institutions, state and local regulators, licensors and strategic partners;
 - E. the approval of the board of directors of Acquiror of a change of its name to such name as may be requested by Jushi and acceptable to the applicable regulatory authorities;
 - F. a letter from Tanzanian legal counsel regarding claims or potential claims, in the form satisfactory to Jushi;
 - G. indemnification from certain officers and directors of Acquiror to Jushi for any undisclosed liabilities of 0886490 B.C. Ltd. and Tansmin Resources (Tanzania) Limited, in the form satisfactory to Jushi;
 - H. the sale of all the shares of the Acquiror's subsidiaries, in particular 0886490 B.C. Ltd. and Tansmin Resources (Tanzania) Limited; and
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- I. the approval of the board of directors of Acquiror of a consolidation of the Acquiror Shares on a basis required to ensure that the Acquiror has no more than the Maximum Acquiror Shares issued and outstanding as of immediately prior to the Closing Date (the “**Consolidation**”).
- (ii) each Acquiror Consolidated Share and New Share issuable pursuant to the Transaction shall be issued or be issuable as fully paid and non-assessable shares in the capital of the Acquiror, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those imposed pursuant to the escrow restrictions of the CSE, and shall be exempt from the prospectus requirements of applicable Canadian securities laws in each of the provinces and territories of Canada either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces and territories of Canada or by virtue of applicable exemptions under such Canadian securities laws and such securities shall not be subject to resale restrictions under applicable Canadian securities laws (other than as applicable to control persons, pursuant to section 2.6 of National Instrument 45-102 – *Resale of Securities*);
 - (iii) the director nominees of Jushi shall have been elected to the board of directors of Acquiror, and the applicable number of casual vacancies on the board of directors of Acquiror as requested by Jushi shall have been created, conditional upon the completion of the Transaction, and the management nominees of Jushi (the “**Jushi Management Nominees**”) shall have been duly appointed as the management of Acquiror as of the time of closing of the Transaction;
 - (iv) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, condition (financial or otherwise) or affairs of Acquiror or any subsidiary of Acquiror between the date of signing this Letter Agreement and the completion of the Transaction except for the expenditure of funds or incurrence of accrued liabilities required to maintain Acquiror’s status as a reporting issuer in good standing in the Reporting Provinces, or as otherwise required in connection with the completion of the transactions contemplated in this Letter Agreement;
 - (v) the representations and warranties of Acquiror contained in this Letter Agreement and the Transaction Documents shall be true and correct in all material respects as of the Closing Date, other than as a result of any change in the issued and outstanding securities of Acquiror as a result of the Transaction;
 - (vi) there being no prohibition under applicable laws against consummation of the Transaction;
 - (vii) no legal proceeding shall be pending or threatened in writing wherein an unfavourable judgment, order, decree, stipulation or injunction would (A) prevent consummation of any component of the Transaction or any transaction related to the Transaction, or (B) cause any component of the Transaction or any transaction related to the Transaction to be rescinded following consummation;
 - (viii) no inquiry or investigation (whether formal or informal) in relation to Acquiror or any subsidiary of Acquiror or its directors, officers or shareholders shall have been commenced or threatened by the Exchanges, any securities commission or other federal, state, provincial or local regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a material adverse effect on Acquiror after giving effect to the Transaction;

- (ix) Acquiror shall be in compliance in all material respects with the terms of this Letter Agreement and the Transaction Documents;
 - (x) all directors and officers of Acquiror and any subsidiary of Acquiror shall have delivered resignations and releases in form and substance acceptable to Jushi, acting reasonably, and no termination, severance or other fees shall be payable to any such directors or officers of Acquiror and any subsidiary of Acquiror in connection with such resignations and releases;
 - (xi) the CSE shall not have objected to the appointment of the Jushi nominees to the board of directors of Acquiror, or of the Jushi Management Nominees to the management of Acquiror, each upon closing of the Transaction;
 - (xii) immediately prior to the Closing Date, no more than the Maximum Acquiror Shares will be issued and outstanding and no other Acquiror Shares will be reserved for issuance or be issuable, whether pursuant to any convertible securities of Acquiror or otherwise;
 - (xiii) the Private Placement shall have been completed on terms and conditions acceptable to Jushi, acting reasonably, as applicable;
 - (xiv) the Voting Support Agreements (as defined herein) shall have been entered into in accordance with Section 12(k) and complied with in all material respects; and
 - (xv) immediately prior to the Closing Date, the Acquiror shall have a working capital and cash position of not less than \$30,000.
- (c) Conditions Precedent and Right of Waiver:
- (i) The conditions precedent set out in Section 8(a) are inserted for the sole benefit of Acquiror and the conditions precedent set out in Section 8(b) are inserted for the sole benefit of Jushi.
 - (ii) The said conditions precedent may be waived in whole or in part by the party or parties for whose benefit they are inserted in that party’s or those parties’ sole and absolute discretion. No such waiver shall be of any effect unless it is in writing signed by the party or parties granting the waiver.

Representations and Warranties of Jushi

9. Jushi represents and warrants to Acquiror as of the date hereof as follows:

- (a) Jushi has been formed and is existing under the laws of the State of Delaware, and is not and will not be a reporting issuer or the equivalent in any jurisdiction at the time of the Transaction;
- (b) Jushi has the corporate power and authority to enter into this Letter Agreement and to carry out the transactions contemplated hereby, subject to approvals from state and local regulatory agencies, and the execution and delivery of this Letter Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Jushi, subject to those approvals that will be obtained prior to completion of the Transaction, including receipt of all applicable approvals of shareholders of Jushi; and

- (c) other than the approval of the CSE and the board of directors of Jushi, no permit, authorization or consent of any party is necessary on the part of Jushi for the consummation by Jushi of the Transaction, and the execution and delivery of this Letter Agreement and the consummation by Jushi of the Transaction will not result in a material violation or material breach of, or constitute (with or without due notice or lapse of time or both) a material default under any material indenture, agreement or other instrument to which Jushi is a party or by which it is bound.

Representations and Warranties of Acquiror

10. Acquiror represents and warrants to Jushi, both as of the date hereof, and as of the Closing Date (except as otherwise noted below), as follows:

- (a) 9,405,038 Acquiror Shares are validly issued and outstanding as fully paid and non-assessable shares in the capital of Acquiror as of the date hereof and no more than the Maximum Acquiror Shares will be issued and outstanding as of immediately prior to the Closing Date and no other Acquiror Shares will be reserved for issuance or be issuable as of immediately prior to the Closing Date. No Acquiror Preferred Shares are issued and outstanding in the capital of Acquiror as of the date hereof and no Acquiror Preferred Shares will be issued and outstanding as of immediately prior to the Closing Date and no Acquiror Preferred Shares will be reserved for issuance or be issuable as of immediately prior to the Closing Date;
- (b) other than 6,999,932 warrants (each warrant to purchase one Acquiror Share) held by the persons and companies disclosed by the Acquiror to Jushi and 14,167 options (each option to purchase one Acquiror Share), no person has any agreement, right or option (whether direct, indirect or contingent or whether pre-emptive, contractual or by law) to purchase or otherwise acquire any of the unissued shares in the capital of Acquiror or for the issue of any other unissued securities of any nature or kind of Acquiror;
- (c) Acquiror is incorporated, existing and in good standing under the laws of the Province of British Columbia and is a "reporting issuer" in the Reporting Provinces within the meaning of applicable securities legislation in good standing and not included in a list of defaulting reporting issuers maintained by the applicable securities regulators in such provinces, and no securities commission, securities exchange or court has issued any order or obtained any undertaking adversely impacting or preventing the Transaction, as currently contemplated, or the trading of any securities of Acquiror, and no proceedings for such purpose are pending or, to the best knowledge of Acquiror, are threatened. The issued and outstanding Acquiror Shares are listed and posted for trading on the NEX and Acquiror has not taken any action which would be reasonably expected to result in the delisting or suspension of such Acquiror Shares on or from the NEX and Acquiror is currently in compliance with all the applicable rules and policies of the NEX. All material filings and fees required to be made and paid by Acquiror pursuant to applicable securities laws and the rules and policies of the NEX have been made and paid;
- (d) Acquiror does not have any subsidiaries or any equity or other interests in any other person or incorporated or unincorporated entity;

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- (e) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Acquiror, threatened of or against Acquiror before any court, regulatory or administrative agency or tribunal;
- (f) Acquiror is not in breach or default of, and the execution and delivery of this Letter Agreement and the performance by Acquiror of its obligations hereunder, do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both (i) any applicable laws, including applicable securities laws; (ii) the articles, by-laws or resolutions of Acquiror; (iii) any agreement, debt instrument or other instrument or arrangement of or binding Acquiror; or (iv) any judgment, decree or order binding Acquiror or its properties or assets;
- (g) there are no claims, actions, suits, judgments, orders, litigation or proceedings outstanding, pending against or affecting Acquiror, and Acquiror is not aware of any existing ground on which any such claim, action, suit, judgment, order, litigation or proceeding might be commenced;
- (h) Acquiror has the corporate power and authority to enter into this Letter Agreement and to carry out the transactions contemplated hereby and the execution and delivery of this Letter Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Acquiror, subject to the receipt of all requisite shareholder approvals of Acquiror;
- (i) this Letter Agreement constitutes a valid and binding obligation of Acquiror enforceable against it in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;
- (j) other than the approval of the CSE, the shareholders of Acquiror and, in respect of the delisting of the Acquiror Shares from the NEX, no permit, authorization or consent of any party is necessary for the consummation by Acquiror of the Transaction, and the execution and delivery of this Letter Agreement and the consummation by Acquiror of the Transaction will not result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under any statute, regulation, law, judgment, order or decree to which Acquiror is subject or by which it is bound or any indenture, agreement or other instrument to which Acquiror is a party or by which it is bound;
- (k) since the Acquiror's last continuous disclosure filing on SEDAR: (i) there has not been any material change in the business, assets, liabilities, obligations (absolute, accrued, contingent or otherwise), condition (financial or otherwise), prospects or results of operations of Acquiror; (ii) there has not been any material change in the equity capital or long-term debt of Acquiror; and (iii) Acquiror has carried on business in the ordinary course;

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- (l) all documents and information filed by the Acquiror on SEDAR, on and subsequent to November 8, 2007, were true and correct in all material respects as of the respective dates of such documents and information and contains all material facts pertaining to the securities of the Acquiror and does not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. Acquiror has been in compliance in all material respects with its timely and continuous disclosure obligations under applicable securities laws in Canada, including insider reporting obligations, and, without limiting the generality of the foregoing, there has been no material change or material fact as to Acquiror that has occurred, which has not been publicly disclosed. Acquiror has not filed any confidential material change reports which remain confidential as at the date hereof and there are no circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 16.1 – Civil Liability for Secondary Market Disclosure of the *Securities Act* (British Columbia) and analogous provisions under applicable securities laws in the Province of Alberta. All documents and information filed by the Acquiror on SEDAR together constitute full, true and plain disclosure of all material facts relating to the Acquiror and the securities of Acquiror;
- (m) all information relating to the Acquiror and its business, assets, properties and liabilities, provided or made available to Jushi by the Acquiror is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. The Acquiror has provided to Jushi all, and not withheld from Jushi any, material facts relating to the Acquiror and the securities of the Acquiror;

- (n) as of the date hereof the Acquiror has a cash position of \$130,000; and
- (o) the Acquiror is no longer carrying on any activities in connection with its previous business of exploration and evaluation of mineral properties and in that respect no longer holds any assets (other than cash and receivables) or other operations or liabilities or obligations (absolute, accrued, contingent or otherwise), environmental or otherwise, in connection with such previous businesses. To the best of the Acquiror's knowledge, all such previous businesses of the Acquiror within the business of exploration and evaluation of mineral properties were conducted in compliance with all applicable environmental laws and workplace health and safety laws, regulations and policies. There are no environmental claims, actions, proceedings, investigations, audits, evaluations, assessments, or reclamation or closure obligations outstanding, pending or, to the knowledge of the Acquiror, threatened against the Acquiror and the Acquiror knows of no basis for any such matters to arise against the Acquiror in the future. The Acquiror is no longer subject to any reporting obligations under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

Agreement to Support Transactions

11. Jushi hereby agrees from the date hereof until the Termination Date (as hereinafter defined):

- (a) to use its reasonable commercial efforts to complete the Transaction;
- (b) to use its reasonable commercial efforts to obtain all approvals required in respect of the Transaction, including any lenders or financial institutions, state and local regulators, licensors and strategic partners; and
- (c) to cooperate fully with Acquiror and to use all reasonable commercial efforts to assist Acquiror in its efforts to complete the Transaction unless such cooperation and efforts would subject Acquiror to liability.

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12. Acquiror hereby agrees from the date hereof until the Termination Date:

- (a) not to carry on any business except as contemplated herein;
- (b) not to issue any debt or equity or other securities, except as contemplated herein and agreed to in writing by Jushi, or declare or pay any dividends or distribute any of Acquiror's property or assets to shareholders;
- (c) not to borrow any money or incur any indebtedness;
- (d) not to alter or amend Acquiror's articles or by-laws, except as contemplated herein and agreed to in writing by Jushi;
- (e) not to enter into any transaction or contract, except as contemplated herein, without the prior written consent of Jushi;
- (f) not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Transaction and, without limiting the generality of the foregoing, not to take any actions to give effect to the completion of any transactions other than the Transaction, not induce or attempt to induce any other person to initiate any shareholder proposal, acquisition of Acquiror Shares or any other form of transaction inconsistent with completion of the Transaction, not to complete any fundraising activities and not to take actions of any kind which may reduce the likelihood of success of the Transaction, except as required by statutory law;
- (g) to disclose to Jushi any unsolicited offer it has received: (i) for the purchase of its shares, or any portion thereof, or (ii) of any amalgamation, arrangement, merger, business combination, take-over bid, tender or exchange offer, variation of a take-over bid, tender or exchange offer or similar transaction involving Acquiror made to the board of directors or management of Acquiror, or directly to Acquiror's shareholders;
- (h) to use its reasonable commercial efforts to obtain any third parties approvals required in respect of the Transaction;
- (i) to cooperate fully with Jushi, and to use all reasonable commercial efforts to assist Jushi to complete the Transaction and to take all actions as are otherwise necessary to complete the Transaction, including satisfaction of all conditions precedent to the completion of the Transaction hereunder that are for the benefit of Jushi;
- (j) to use its reasonable commercial efforts to cause all Acquiror shareholders to vote their Acquiror Shares in favour of the Transaction and related matters, and otherwise approve the Transaction and related matters as required; and
- (k) to use its commercially reasonable efforts to obtain voting support agreements with Jushi (collectively, the "**Voting Support Agreements**"), in a form as reasonably agreed to by Jushi, from existing securityholders of Acquiror who, legally or beneficially own, or exercise control or discretion over, directly or indirectly, Acquiror Shares (or any transferee who acquires any Acquiror Shares from any such securityholder after the date hereof), in each case pursuant to which such parties will, among other things, agree to vote their Acquiror Shares in favour of the Transaction and related matters and to not take any action of any kind which might reasonably be regarded as likely to reduce the success of, or delay or interfere with, the completion of the Transaction or any related transactions contemplated in connection with the Transaction.

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Escrow

13. The parties acknowledge that a portion of the Acquiror Consolidated Shares and the New Shares may be subject to escrow provisions which shall be imposed by the policies of the CSE. The parties further acknowledge that these escrowed shares shall be held in escrow and released, over time, as determined by the CSE. The parties agree that the terms of the escrow shall be negotiated by counsel for Jushi, in consultation with counsel for Acquiror, and the CSE, and the parties hereto agree to accept such terms as imposed by the CSE provided such escrow is in compliance with the published policies of the CSE. All parties agree to use their reasonable commercial efforts to obtain the most advantageous escrow terms for shareholders of Jushi and the contemplated holders of the New Shares.

Expenses

14. Notwithstanding any other provision herein, each of the parties hereto shall be responsible for its own costs and expenses incurred with respect to the transactions contemplated herein including, without limitation, all costs and expenses incurred prior to the date of this Letter Agreement and all legal and accounting fees and disbursements relating to preparing the Transaction Documents, calling and holding shareholder meetings, the application to the CSE for the listing of Acquiror Consolidated Shares, the application to the NEX for the delisting of Acquiror Shares and preparing all other documentation and filings in connection with the Transaction, or otherwise relating to the transactions contemplated herein. Other than the application to the NEX for the delisting of Acquiror Shares, the parties agree that Jushi and its counsel shall be primarily responsible, at Jushi's cost, for preparation of all documentation and filings in connection with the Transaction, including, without limitation, the application to the CSE for the listing of Acquiror Consolidated Shares following completion of the Transaction, while the Acquiror and its counsel shall perform a review function and diligently cooperate and assist in the preparation of such documentation and required filings, at the Acquiror's cost; however, each party shall permit the other party and its counsel to review the preparation of all documentation to be sent to shareholders of such party or otherwise used in connection with the approval of the Transaction and related matters by the shareholders of such party and the Exchanges.

Closing and Good Faith Negotiations

15. Acquiror and Jushi agree to proceed diligently and in good faith to negotiate and settle the terms of the Transaction Documents for execution, and to complete all transactions contemplated herein as soon as possible.

Confidentiality and Notice Obligations

16. No disclosure or announcement, public or otherwise, in respect of this Letter Agreement or the transactions contemplated herein will be made by any party without the prior agreement of the other party as to timing, content and method, provided that the obligations herein will not prevent any party from making such disclosure or announcement as its counsel advises is required by applicable law or the rules and policies of the CSE or the NEX, as applicable. If a party is required by applicable law or the rules and policies of the CSE or the NEX, as applicable, to make such disclosure or announcement, such party will use commercially reasonable efforts to provide reasonable notice of such disclosure or announcement to the other party, including the proposed text of such disclosure or announcement, and provide the other party with a reasonable opportunity to review and comment on the same, which comments shall be reasonably considered by the first party. Jushi shall have the right to receive advance notice of any public filings to be made by Acquiror and Acquiror shall provide Jushi and its legal counsel with a reasonable period in advance to review and comment on such proposed public filings (including press releases), which comments shall be reasonably considered by Acquiror.

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17. The parties acknowledge that their rights and obligations under this Letter Agreement shall in no way derogate from their rights and obligations in any confidentiality agreement that may be entered into by the parties in connection with the Transaction.

Termination

18. This Letter Agreement shall terminate with the parties having no obligations to each other, other than in respect of the cost and expense provisions contained in Section 14 and the confidentiality provisions contained in Sections 16 and 17, and other than in respect of the liability of a party for breach of any of the terms or conditions set forth herein before the termination, on the day (the "**Termination Date**") on which the earliest of the following events occurs:
- (a) written agreement of the parties to terminate this Letter Agreement;
 - (b) the Transaction is not completed on or prior to December 31, 2019;
 - (c) upon written notice from Jushi to Acquiror, in the event that there shall be any material change or change in a material fact in respect of Acquiror, or there should be discovered any previously undisclosed material fact required to be disclosed by Acquiror or new material fact in respect of Acquiror, which, in the reasonable opinion of Jushi, has or would be expected to have an adverse effect on the business, affairs, prospects, results of operations, assets, liabilities, capital or condition (financial or otherwise) of Acquiror (post-Transaction) or Jushi (each considered on a consolidated basis); and
 - (d) upon written notice from Jushi to Acquiror, in the event that Acquiror is in breach of any material term, condition or covenant of this Letter Agreement or any representation or warranty given by Acquiror in this Letter Agreement becomes or is false in any material respect.
19. Notwithstanding any other provision of this Letter Agreement, in the event that Jushi's board of directors determines that it is not in the best interests of Jushi and its shareholders to consummate the Transaction contemplated under this Letter Agreement, Jushi may terminate this Letter Agreement at any time without liability to the Acquiror, including its officers, directors and/or shareholders.

Miscellaneous

20. This Letter Agreement shall be governed in all respects, including validity, interpretation and effect, in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the undersigned hereby irrevocably attorn to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in respect of any matter arising hereunder or in connection herewith.
21. No amendment, modification, restatement or supplement of this Letter Agreement or any provision of this Letter Agreement is binding unless it is in writing and executed by each party hereto.
22. All dollar amounts expressed herein are in Canadian currency, unless otherwise specified.

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23. This Letter Agreement will be binding upon, and will enure to the benefit of and be enforceable by, the parties hereto and their respective successors, permitted assigns, executors and administrators. No assignment of this Letter Agreement will be permitted without the written consent of the other party.
24. This Letter Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect thereto.
25. This Letter Agreement may be executed in counterparts and evidenced by a facsimile or PDF email copy thereof and all such counterparts or facsimile or PDF counterparts shall constitute one document.

If the terms of this Letter Agreement are acceptable, please communicate your acceptance by executing the duplicate copy hereof in the appropriate space below and returning such executed copy to us by facsimile or PDF copy to the attention of the undersigned.

Yours very truly,

TANZANIA MINERALS CORP.

Per: /s/ Rob Dzisiak

Name: Rob Dzisiak

Title: President & Chief Executive Officer

Per: /s/ Bev Funston

Name: Bev Funston

Title: Director

THE TERMS OF THIS LETTER AGREEMENT are hereby accepted as of the 2nd day of November, 2018.

JUSHI INC.,

Per: /s/ James Cacioppo

Name: James Cacioppo

Title: CEO & Chairman

JUSHI HOLDINGS INC.
(the “Company”)

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JUSHI HOLDINGS INC.
(the “Company”)

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company, as the case may be;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “legal personal representative” means the personal or other legal representative of a shareholder, and includes a trustee in bankruptcy of the shareholder;
- (5) “registered address” of a shareholder means that shareholder’s address as recorded in the central securities register; and
- (6) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if these Articles were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

1.3 Conflicts Between Articles and the *Business Corporations Act*

If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company is as follows:

- (1) An unlimited number of subordinate voting shares (the “**Subordinate Voting Shares**”), without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth in Article 25.
- (2) An unlimited number of multiple voting shares (the “**Multiple Voting Shares**”), without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth in Article 26.

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- (3) An unlimited number of super voting shares (the “**Super Voting Shares**”), without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth in Article 27.
- (4) An unlimited number of preferred shares (the “**Preferred Shares**”), without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth in Article 30.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Share Certificate or Acknowledgement

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgement of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement, and delivery of a share certificate or acknowledgement, for a share to one of several joint shareholders or to one of the shareholders’ duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgement of a shareholder’s right to obtain a share certificate may be sent to the shareholder by mail at the shareholder’s registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Share Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is worn out or defaced, the directors must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, the directors think fit:

- (1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Share Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (1) proof satisfactory to the directors that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

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2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Share Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

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3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SECURITIES REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, a transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.3 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

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5.4 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.5 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OR REDEMPTION OF SHARES

7.1 Company Authorized to Purchase or Redeem Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase or Redemption When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

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7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

- (1) Subject to the *Business Corporations Act*, the Company may by resolution of the board of directors:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) alter the identifying name of any of its shares;

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- (d) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (e) if the Company is authorized to issue shares of a class of shares with par value:
 - (A) decrease the par value of those shares; or
 - (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (f) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Change of Name

The Company may by resolution of the board of directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.3 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more

than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

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10.4 Location of Meeting

A general meeting of the Company may be held anywhere in the world as determined by the directors.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Class Meetings and Series Meetings of Shareholders

Subject to the provisions of the *Business Corporations Act*, unless specified otherwise in these Articles or in the special rights and restrictions attached to any class or series of shares, the provisions of these Articles relating to general meetings will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.9 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

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11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of, or voting at, the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of, or voting at, the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;

- (c) consideration of any reports of the directors or auditor;
- (d) the setting or changing of the number of directors;
- (e) the election or appointment of directors;
- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two (2) persons who are, or represent by proxy, shareholders holding, in the aggregate, at least five percent (5%) of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

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11.5 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), the auditor of the Company, the lawyers for the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved; and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any;
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; Or
- (3) such other person designated by the directors.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, the person appointed under section 11.9 above is not present within 15 minutes after the time set for holding the meeting, or if such person is unwilling to act as chair of the meeting, or if such person has advised the secretary, if any, or any director present at the meeting, that such person will not be present at the meeting, the directors present must choose: one of their number, a senior officer or counsel to the Company to chair the meeting or if the director, senior officer or counsel present declines to take the chair or if the directors fail to so choose or if no director, senior officer or counsel is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

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11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for thirty days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

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11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of a meeting of the shareholders must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and during that period, make such ballots and proxies available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative for a shareholder who is entitled to vote at the meeting.

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12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of the shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of the shareholders, personally or by proxy, and more than one of the joint shareholders votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of the shareholders by written instrument, fax or any other method of transmitting legibly recorded messages and:

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified for the receipt of proxies, in the notice calling the meeting, at least the number of business days for the receipt of proxies specified in the notice, or if no number of days is specified in the notice, at least, two business days before the day set for the holding of the meeting; or
 - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

12.6 Proxy Provisions Do Not Apply to All Companies

Article 12.9 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply. Sections 12.7 to 12.15 apply to the Company only insofar as they are not inconsistent with any applicable securities legislation and any regulations and rules made and promulgated under such legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commission or similar authorities appointed under that legislation.

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12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of the shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the instrument of proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form designated by the directors, the scrutineer or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder- printed]

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must be by written instrument, fax or any other method of transmitting legibly messages and must:

- (1) be received at the registered office of the Company or at any other place specified for the receipt of proxies, in the notice calling the meeting, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, in the notice, at least two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be deposited at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

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12.11 Revocation of Proxy

Subject to Article 12.12, every proxy may be revoked by an instrument in writing that is :

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) deposited with the chair of the meeting, at the meeting, before any vote in respect of which the proxy is to be used shall have been taken.

12.12 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.12 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.13 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

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13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

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14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*, or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies,

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceased to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be

authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16. DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

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16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as the directors think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

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17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:

- (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
- (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that the chair of the board and the president will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings,

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

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17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (a) in all cases, if each of the directors entitle to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Article 17 may be evidence by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one entire document. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to be effective on the date stated in the consent in writing and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to such meetings.

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18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors: and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

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18.5 Committee Meetings

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19. OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;

- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the Business Corporations Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

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20. INDEMNIFICATION

20.1 Definitions

In this Article 21:

- (1) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director, officer, or former officer of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director, former director, officer or former officer of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “expenses” has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company may indemnify a director, former director, officer or former officer of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company may, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a director, former director, officer or former officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

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- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 21 are subject to Article 2.1 and to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as the directors may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as the directors deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

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21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of such joint shareholders may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23. NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient.

23.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to such person:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24. SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as the directors may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

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25. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE SUBORDINATE VOTING SHARES

The Subordinate Voting Shares of the Company, without nominal or par value, shall have attached thereto the special rights and restrictions as set forth below:

25.1 Voting Rights

Holders of Subordinate Voting Shares (“**Subordinate Voting Holder**”) shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting Subordinate Voting Holders shall be entitled to one vote in respect of each Subordinate Voting Share held.

25.2 Alteration to Rights of Subordinate Voting Shares

As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

25.3 Dividends

Subordinate Voting Holders shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to receive as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends on the Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

25.4 Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the Subordinate Voting Holders shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares be entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

25.5 Subdivision or Consolidation

Subject to Sections 26.6(d) and (e) and Sections 27.6(e) and (f), no subdivision or consolidation of the Subordinate Voting Shares, Multiple Voting Shares or Super Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

25.6 Rights to Subscribe; Pre-Emptive Rights

The Subordinate Voting Holders are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, bonds, debentures or other securities of the Company now or in the future.

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25.7 Rights Upon an Offer

In the event that (1) an offer is made to purchase Multiple Voting Shares or Super Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Multiple Voting Shares or Super Voting Shares, as applicable, in a province or territory of Canada to which the requirement applies, and (2) a concurrent equivalent offer is not made in respect of the Subordinate Voting Shares, then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares or Super Voting Shares, as applicable, at the inverse of applicable Conversion Ratio (as defined in Section 26.6 and 27.6, as applicable) then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares or Super Voting Shares, as applicable, under the offer, and for no other reason, and shall not provide holders of Subordinate Voting Shares any beneficial ownership of Multiple Voting Shares or Super Voting Shares, as applicable, but only in the consideration under the offer. In such event, the transfer agent for the Subordinate Voting Shares shall deposit under the offer the resulting Multiple Voting Shares or Super Voting Shares, as applicable, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

- (a) give written notice to the transfer agent of the exercise of such right, and of the number of Subordinate Voting Shares in respect of which the right is being exercised;
- (b) deliver to the transfer agent the share certificate or certificates representing the Subordinate Voting Shares in respect of which the right is being exercised, if applicable;

- (c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Multiple Voting Shares or Super Voting Shares, as applicable, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made. For Subordinate Voting Shares held by, or for the account or benefit of, a person resident in the United States, conversion will be subject to compliance with the registration requirements of the *U.S. Securities Act* and any applicable securities laws of any state of the United States or an available exemption therefrom and the Company or the transfer agent may request such additional documentation necessary to reasonably evidence such compliance or exemption. If Multiple Voting Shares or Super Voting Shares, as applicable, resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares or Super Voting Shares, as applicable, being taken up and paid for, the Multiple Voting Shares or Super Voting Shares, as applicable, resulting from the conversion will be automatically re-converted into Subordinate Voting Shares at the Conversion Ratio then in effect, shall be deemed to have never been outstanding, and a share certificate representing the Subordinate Voting Shares or electronic evidence of such Subordinate Voting Shares issued in a non-certificate manner will be sent to the holder by the transfer agent. In the event that the offeror takes up and pays for the Multiple Voting Shares or Super Voting Shares, as applicable, resulting from conversion, the transfer agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

25.8 Odd Lots

In the event that Subordinate Voting Holders are entitled to convert their Subordinate Voting Shares into Super Voting Shares under Section 25.7 in connection with an offer, holders of an aggregate of Subordinate Voting Shares of less than 100 (an “**Odd Lot**”), subject to any adjustments to the initial Conversion Ratio pursuant to the adjustment provisions of the Subordinate Voting Shares or the Super Voting Shares, as applicable, designed to preserve their relative rights, will be entitled to convert all but not less than all of such Odd Lot of Subordinate Voting Shares into a fraction of one Super Voting Share, at the inverse of the applicable Conversion Ratio then in effect, provided that such conversion into a fractional Super Voting Share will be solely for the purpose of tendering the fractional Super Voting Share to the offer in question and that any fraction of a Super Voting Share that is tendered to the offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Subordinate Voting Shares that existed prior to such conversion.

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26. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE MULTIPLE VOTING SHARES

The Multiple Voting Shares of the Company, without nominal or par value, shall have attached thereto the special rights and restrictions as set forth below:

26.1 Voting Rights

The holders of Multiple Voting Shares (the “**Multiple Voting Holders**”) shall have the right to 10 votes for each Subordinate Voting Share into which such Multiple Voting Shares could then be converted (ignoring any limitations under Section 26.7), which for greater certainty, shall initially equal 10 votes per Multiple Voting Share, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the Subordinate Voting Holders, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders’ meeting and shall be entitled to vote, together with holders of Subordinate Voting Shares, with respect to any question upon which Subordinate Voting Holders have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as converted basis (after aggregating all Subordinate Voting Shares into which Multiple Voting Shares could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Except as provided by law and by the provisions of Section 26.2, Multiple Voting Holders shall vote the Multiple Voting Shares together with the Subordinate Voting Holders and Super Voting Holders as a single class.

26.2 Alterations to the Rights of Multiple Voting Shares

As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. In connection with the exercise of the voting rights contained in this Section 26.2 each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

26.3 Dividends

The Multiple Voting Holders shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the applicable Conversion Ratio and ignoring any limitations on conversion under Section 26.7) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends on the Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

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26.4 Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the Multiple Voting Holders shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate rateably, on an as-converted to Subordinate Voting Share basis, along with all other holders of Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

26.5 Rights to Subscribe; Pre-Emptive Rights

The Multiple Voting Holders are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, bonds, debentures or other securities of the Company now or in the future.

26.6 Conversion

Subject to the Conversion Limitations set forth in Section 26.7, Multiple Voting Holders shall have conversion rights as follows (the “**Conversion Rights**”):

- (a) Right to Convert. Each Multiple Voting Share shall be convertible, at the option of the Multiple Voting Holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Multiple Voting Share is surrendered for conversion. The initial “**Conversion Ratio**” for Multiple Voting Shares shall be 1 Subordinate Voting Share for each Multiple Voting Share, provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in Sections 26.6(d) and (e).
- (b) Mechanics of Conversion. Before any Multiple Voting Holder shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the Multiple Voting Holder shall surrender the certificate or certificates therefor, duly endorsed, or provide other electronic evidence therefor, at the office of the Company or of any transfer agent for Subordinate Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates or other electronic evidence of Subordinate Voting Shares are to be issued (each, a “**Conversion Notice**”). The Company shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such Multiple Voting Holder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Subordinate Voting Shares or electronic evidence of such Subordinate Voting Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date.

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- (c) Mandatory Conversion. Notwithstanding Section 26.7, the Company may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio (a “**Mandatory Conversion**”) if at any time all the following conditions are satisfied (or otherwise waived by special resolution of Multiple Voting Holders):
- (i) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”);
 - (ii) the Company is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act; and
 - (iii) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North America stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Neo Exchange Inc. (or any other stock exchange recognized as such by the Ontario Securities Commission).

The Company will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a Mandatory Conversion Notice at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible and (ii) the address of record for such holder. On the record date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of record on the Mandatory Conversion Date certificates or electronic evidence representing the number of Subordinate Voting Shares into which the Multiple Voting Shares are so converted and each certificate representing the Multiple Voting Shares shall be null and void.

- (d) Adjustments for Distributions. In the event the Company shall declare a distribution to Subordinate Voting Holders payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a “**Distribution**”), then, in each such case for the purpose of this Section 26.6(d), the Multiple Voting Holders shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for the determination of the Subordinate Voting Holders entitled to receive such Distribution.
- (e) Recapitalizations; Stock Splits. If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action that does not itself also require adjustment to the Conversion Ratio (each, a “**Recapitalization**”), provision shall be made so that the Multiple Voting Holders shall thereafter be entitled to receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 26.6 with respect to the rights of the Multiple Voting Holders after the Recapitalization to the end that the provisions of this Section 26.6 (including adjustment of the Conversion ratio then in effect and the number of Multiple Voting Shares issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

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- (f) No Fractional Shares and Certificates as to Adjustments. No fractional Subordinate Voting Shares shall be issued upon the conversion of any Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded up to the nearest whole Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of Multiple Voting Shares the Multiple Voting Holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.
- (g) Adjustment Notice. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 26.6, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each Multiple Voting Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any Multiple Voting Holder, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio at the time in effect, and (C) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Multiple Voting Share.
- (h) Effects of Conversion. All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the “**Conversion Time**”), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.
- (i) Notices of Record Date. Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each Multiple Voting Holder, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

- (j) Conversion Upon an Offer. In addition to the conversion rights set out in this Section 26.6, in the event that (1) an offer is made to purchase Subordinate Voting Shares or Super Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the Subordinate Voting Holders or Super Voting Holders, as applicable, in a province or territory of Canada to which the requirement applies, and (2) a concurrent equivalent offer is not made in respect of the Multiple Voting Shares, then each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect or into Super Voting Shares based on the inverse of the Conversion Ratio as defined in Section 27.6, as applicable, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right in this Section 26.6(j), may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares or Super Voting Shares, as applicable, under the offer, and for no other reason and shall not provide the Multiple Voting Holder any beneficial ownership of Subordinate Voting Shares or Super Voting Shares, as applicable, but rather only in the consideration to be provided under the offer. In such event, the transfer agent for the Subordinate Voting Shares and/or Super Voting Shares, as applicable, shall deposit under the offer the resulting Subordinate Voting Shares or Super Voting Shares, as applicable, on behalf of the Multiple Voting Holder.

To exercise such conversion right, the Multiple Voting Holder or his or its attorney duly authorized in writing shall:

- (1) give written notice to the transfer agent of the exercise of such right, and of the number of Multiple Voting Shares in respect of which the right is being exercised;
 - (2) deliver to the transfer agent the share certificate or certificates representing the Multiple Voting Shares in respect of which the right is being exercised, if applicable; and
 - (3) pay any applicable stamp tax or similar duty on or in respect of such conversion.
- (k) Automatic Conversion. A Multiple Voting Share shall automatically be converted without further action by the holder thereof into one Subordinate Voting Share upon the transfer by the holder thereof to anyone other than (i) another Initial Super Voting Holder (as defined in Section 27.6(c), and together with the Initial Multiple Voting Holder, the “**Initial Holders**”), an immediate family member of an Initial Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by an Initial Holder or immediate family members of an Initial Holder or which an Initial Holder or immediate family members of an Initial Holder are the sole beneficiaries thereof; or (ii) a party approved by the Company. For the purposes hereof, “**Initial Multiple Voting Holder**” means Denis Arseneault.

26.7 Conversion Limitations

Before any Multiple Voting Holder shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine if any Conversion Limitation set forth in this Section 26.7 shall apply to the conversion of Multiple Voting Shares. For the purposes of this Section 26.7, each of the following is a “**Conversion Limitation**”:

(a) Beneficial Ownership Restriction

- (i) Beneficial Ownership. The Company shall not effect any conversion of Multiple Voting Shares and a Multiple Voting Holder shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to Section 27.6 or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the Multiple Voting Holder (together with the Multiple Voting Holder’s Affiliates (each, an “**Affiliate**” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), and any other persons acting as a group together with the Multiple Voting Holder or any of the Multiple Voting Holder’s Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the “**Beneficial Ownership Limitation**”).
- (ii) Calculation. For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the Multiple Voting Holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) convert of the remaining, non-converted portion of Multiple Voting Shares beneficially owned by the Multiple Voting Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Multiple Voting Holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Multiple Voting Shares, subject to the Conversion Notice, by the Multiple Voting Holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Section 26.7(a), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder based on information provided by the Multiple Voting Holder to the Company in the Conversion Notice.
- (iii) Conversion Limitation. To the extent that the limitation contained in this Section 26.7(a) applies and the Company can convert some, but not all, of such Multiple Voting Shares, submitted for conversion, the Company shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the Multiple Voting Holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the Multiple Voting Holder’s certification as to the Multiple Voting Holder’s beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

- (iv) **Increase of Beneficial Ownership Limitation.** The Multiple Voting Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 26.7(a), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice and the provisions of this Section 26.7 shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 26.7 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor Multiple Voting Holder.

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26.8 Pre-Emptive Rights

The holders of Multiple Voting Shares shall have no pre-emptive rights.

26.9 Notices

Any notice required by the provisions of these Special Rights and Restrictions to be given to the Multiple Voting Holders shall be deemed given if deposited in the mail or courier, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company.

26.10 Status of Converted Multiple Voting Shares

Any Multiple Voting Share converted shall be retired and cancelled and may not be reissued as shares of such series or any other class or series, and the Company may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of Multiple Voting Shares accordingly.

26.11 Disputes

Any Multiple Voting Holder that beneficially owns more than 5% of the issued and outstanding Multiple Voting Shares may submit a written dispute as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio or the Beneficial Ownership Limitation by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the Multiple Voting Holder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio or the Beneficial Ownership Limitation, as applicable. If the Multiple Voting Holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Company and the Multiple Voting Holder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the Conversion Ratio or the Beneficial Ownership Limitation to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the Multiple Voting Holder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

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27. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE SUPER VOTING SHARES

The Super Voting Shares of the Company, without nominal or par value, shall have attached thereto the special rights and restrictions as set forth below:

27.1 Voting Rights

The holders of Super Voting Shares (the "**Super Voting Holders**") shall have the right to 10 votes for each Subordinate Voting Share into which such Super Voting Shares could then be converted (ignoring any limitations under Section 27.7), which for greater certainty, shall initially equal 1,000 votes per Super Voting Share, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the Subordinate Voting Holders, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting and shall be entitled to vote, together with holders of Subordinate Voting Shares, with respect to any question upon which Subordinate Voting Holders have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as converted basis (after aggregating all Subordinate Voting Shares into which Super Voting Shares could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Except as provided by law and by the provisions of Section 27.2, Super Voting Holders shall vote the Super Voting Shares together with the Subordinate Voting Holders and Multiple Voting Holders as a single class.

27.2 Alterations to the Rights of Super Voting Shares

In addition to any other rights provided by law, the Company shall not amend, alter or repeal the preferences, special rights or other powers of the Super Voting Shares or any other provision of the Company's constating documents that would adversely affect the rights of the Super Voting Holders, without the written consent or affirmative vote of the holders of at least 66-2/3% of the then outstanding aggregate number of Super Voting Shares, as such changes relate to the Super Voting Shares, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class of the holders of Super Voting Shares (a "**Super Majority Vote**"). The Company shall have authority to issue one or more additional classes or series of shares, which may have rights and preferences superior or subordinate to the Super Voting Shares.

27.3 Rank

- (a) All shares of Super Voting Shares shall be identical with each other in all respects.
- (b) The Super Voting Shares shall rank *pari passu* to the Subordinate Voting Shares as to dividends and upon liquidation, as described below, but are subject to the prior rights of the holders of any shares of the Company ranking in priority to the Super Voting Shares. Any amounts herein shall be subject to appropriate adjustments in the event of any stock splits, consolidations or the like.

27.4 Dividend Rights

The Super Voting Holders shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Super Voting Shares, have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted basis, assuming conversion of all Super Voting Shares into Subordinate Voting Shares at the applicable Conversion Ratio and ignoring any limitations on conversion under Section 27.7) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares.

27.5 Liquidation Rights

- (a) In the event of any Liquidation Event (as defined below), either voluntary or involuntary, the holders of Super Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Super Voting Shares, be entitled to receive the assets of the Company available for distribution to shareholders, distributed among the holders of Super Voting Shares on a pro rata basis based on the number of Super Voting Shares (on an as converted to Subordinate Voting Shares basis, assuming conversion of all Super Voting Shares into Subordinate Voting Shares at the applicable Conversion Ratio and ignoring any limitations on conversion under Section 27.7) issued and outstanding on the record date.
- (b) For purposes of this Section 27.5, a “**Liquidation Event**” shall include (i) any voluntary or involuntary liquidation, dissolution or winding up of the Company, including any event determined by the Board of Directors of the Company to constitute a Liquidity Event requiring the liquidation, dissolution or winding up of the Company; (ii) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any transaction effected exclusively for the purpose of changing the domicile of the Company or determined by the Board of Directors of the Company not to constitute a Liquidation Event); (iii) a sale of all or substantially all of the assets of the Company; unless, in the case of (ii) or (iii), the Company’s shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Company’s acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity or the Board of Directors of the Company otherwise determines that such transaction does not constitute a Liquidation Event.

27.6 Conversion

Subject to the Conversion Limitations set forth in Section 27.7, Super Voting Holders shall have conversion rights as follows (the “**Conversion Rights**”):

- (a) Right to Convert. Each Super Voting Share shall be convertible, at the option of the Super Voting Holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Super Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Super Voting Share is surrendered for conversion. Each Super Voting Share shall be convertible into 100 Subordinate Voting Shares (“**Conversion Ratio**”), provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in Sections 27.6(e) and (f).
- (b) Automatic Conversion. Each Super Voting Share shall automatically be converted without further action by the Super Voting Holder into Subordinate Voting Shares at the applicable Conversion Ratio immediately upon the earlier of:
 - (i) a Liquidation Event; or
 - (ii) the date specified by the written consent or affirmative Super Majority Vote of the then outstanding aggregate number of Super Voting Shares.

- (c) Automatic Conversion upon Certain Transfers. A Super Voting Share shall automatically be converted without further action by the holder thereof into one Subordinate Voting Share upon the transfer by the holder thereof to anyone other than (i) another Initial Super Voting Holder, an immediate family member of an Initial Super Voting Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by an Initial Super Voting Holder or immediate family members of an Initial Super Voting Holder or which an Initial Super Voting Holder or immediate family members of an Initial Super Voting Holder are the sole beneficiaries thereof; or (ii) a party approved by the Company. For the purposes hereof, “**Initial Super Voting Holder**” means James Cacioppo, Erich Mauff and Louis Jonathan Barack.
- (d) Mechanics of Conversion. Before any Super Voting Holder shall be entitled to convert Super Voting Shares into Subordinate Voting Shares, the Super Voting Holder shall surrender the certificate or certificates therefor, duly endorsed, or the electronic evidence therefor, at the office of the Company or of any transfer agent for Subordinate Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates or electronic evidence of Subordinate Voting Shares are to be issued (each, a “**Conversion Notice**”). The Company shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such Super Voting Holder, or to the nominee or nominees of such holder, a certificate or certificates or electronic evidence of the number of Subordinate Voting Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Super Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date.
- (e) Adjustments for Distributions. In the event the Company shall declare a distribution to Subordinate Voting Holders payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a “**Distribution**”), then, in each such case for the purpose of this Section 27.6(e), the Super Voting Holders shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Super Voting Shares are convertible as of the record date fixed for the determination of the Subordinate Voting Holders entitled to receive such Distribution.

- (f) Recapitalizations; Stock Splits. If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action that does not itself also require adjustment to the Conversion Ratio (each, a “**Subordinate Voting Share Recapitalization**”), the Conversion Ratio of the Super Voting Shares shall be multiplied by a fraction of which the numerator shall be the number of Subordinate Voting Shares outstanding immediately after such event and of which the denominator shall be the number of Subordinate Voting Shares outstanding immediately before such event. After any Subordinate Voting Share Recapitalization, the provisions of Section 27.6 (including adjustment of the Conversion Ratio then in effect and the number of Subordinate Voting Shares acquirable upon conversion of Super Voting Shares) shall be applied in a manner such that the rights of the Super Voting Holders, Multiple Voting Holders and Subordinate Voting Holders are as equivalent as practicable to such rights prior to such Subordinate Voting Share Recapitalization. If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Super Voting Shares; (ii) issue Super Voting Shares as a dividend or other distribution on outstanding Super Voting Shares; (iii) subdivide the outstanding Super Voting Shares into a greater number of Super Voting Shares; (iv) consolidate the outstanding Super Voting Shares into a smaller number of Super Voting Shares; or (v) effect any similar transaction or action that does not itself also require adjustment to the Conversion Ratio (each, a “**Super Voting Share Recapitalization**”), the Conversion Ratio for such shares subject to such event shall be multiplied by a fraction of which the numerator shall be the number of Super Voting Shares outstanding immediately before such event and of which the denominator shall be the number of Super Voting Shares outstanding immediately after such event. After any Super Voting Share Recapitalization, the provisions of Section 27.6 (including adjustment of the Conversion Ratio then in effect and the number of Subordinate Voting Shares acquirable upon conversion of Super Voting Shares) shall be applied in a manner such that the rights of the Super Voting Holders, Multiple Voting Holders and Subordinate Voting Holders are as equivalent as practicable to such rights prior to such Super Voting Share Recapitalization.

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- (g) No Impairment. The Company will not, by amendment of its notice of articles or articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by it, but will at all times in good faith assist in the carrying out of all the provisions of this Section 27.6 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the Super Voting Holders against impairment.
- (h) No Fractional Shares and Certificates as to Adjustments. No fractional Subordinate Voting Shares shall be issued upon the conversion of any Super Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded up to the nearest whole Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of Super Voting Shares the Super Voting Holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.
- (i) Adjustment Notice. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 27.6, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each Super Voting Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any Super Voting Holder, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio at the time in effect, and (C) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Super Voting Share.
- (j) Effects of Conversion. All Super Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the “**Conversion Time**”), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

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- (k) Notices of Record Date. Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each Super Voting Holder, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.
- (l) Conversion Upon an Offer. In addition to the conversion rights set out in this Section 27.6, in the event that (1) an offer is made to purchase Subordinate Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the Subordinate Voting Holders in a province or territory of Canada to which the requirement applies, and (2) a concurrent equivalent offer is not made in respect of the Super Voting Shares, then each Super Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right in this Section 27.6(l), may only be exercised in respect of Super Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason and shall not provide the Super Voting Holder any beneficial ownership of Subordinate Voting Shares but rather only in the consideration to be provided under the offer. In such event, the transfer agent for the Subordinate Voting Shares shall deposit under the offer the resulting Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

- (1) give written notice to the transfer agent of the exercise of such right, and of the number of Super Voting Shares in respect of which the right is being exercised;
- (2) deliver to the transfer agent the share certificate or certificates representing the Super Voting Shares in respect of which the right is being exercised, if applicable; and
- (3) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Subordinate Voting Shares resulting from the conversion of the Super Voting Shares will be delivered to the holders on whose behalf such deposit is being made. For Super Voting Shares held by, or for the account or benefit of, a person resident in the United States, conversion will be subject to compliance with the registration requirements of the *U.S. Securities Act* and any applicable securities laws of any state of the United States or an available exemption therefrom and the Company or the transfer agent may request such additional documentation necessary to reasonably evidence such compliance or exemption. If Subordinate Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be automatically re-converted into Super Voting Shares at the inverse of Conversion Ratio then in effect, shall be deemed to have never been outstanding, and a share certificate representing the Super Voting Shares will be sent to the holder by the transfer agent. In the event that the

27.7 Conversion Limitations

Before any Super Voting Holder shall be entitled to convert Super Voting Shares into Subordinate Voting Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine if any Conversion Limitation set forth in this Section 27.7 shall apply to the conversion of Super Voting Shares. For the purposes of this Section 27.7, each of the following is a “**Conversion Limitation**”:

- (a) Foreign Private Issuer Protection Limitation. The Company will use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)). Accordingly:
- (i) 45% Threshold. Except as provided in Section 27.6(b), the Company shall not effect any conversion of Super Voting Shares, and the Super Voting Holders shall not have the right to convert any portion of the Super Voting Shares pursuant to Section 27 or otherwise, to the extent that after giving effect to such issuance after conversions, the aggregate number of Subordinate Voting Shares and Super Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the Exchange Act) would exceed forty five percent (45%) (the “**45% Threshold**”) of the aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares issued and outstanding (the “**FPI Protective Restriction**”). The board may by resolution increase the 45% Threshold to an amount not to exceed 50% and in the event of any such increase, all references to the 45% Threshold herein shall refer instead to the amended threshold set by such resolution.
- (ii) Conversion Limitations. In order to effect the FPI Protective Restriction, each Super Voting Holder will be subject to the 45% Threshold based on the number of Super Voting Shares held by such Super Voting Holder as of the date of the initial issuance of the Super Voting Shares and thereafter at the end of each of the Company’s subsequent second fiscal quarters (each, a “**Determination Date**”), calculated as follows:

$$X = [(A \times 0.45) - B] \times (C/D)$$

Where on the Determination Date:

X = Maximum number of Subordinate Voting Shares available for issuance upon conversion of Super Voting Shares by the Super Voting Holder.

A = The number of Subordinate Voting Shares and Super Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares and Super Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the Exchange Act) on the Determination Date.

C = Aggregate number of Subordinate Voting Shares issuable upon conversion of Super Voting Shares held by the Super Voting Holder on the Determination Date.

D = Aggregate number of all Subordinate Voting Shares issuable upon conversion of Super Voting Shares on the Determination Date.

- (iii) Determination of FPI Protective Restriction. For purposes of subsections 27.7(a)(i) and 27.7(a)(ii), the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine as of each Determination Date: (A) the 45% Threshold and (B) the FPI Protective Restriction. Upon a determination of the 45% Threshold and the FPI Protective Restriction, the Company will provide each Super Voting Holder of record notice of the FPI Protective Restriction within thirty (30) days of the end of each Determination Date (a “**Notice of Conversion Limitation**”). To the extent that the FPI Protective Restriction contained in this Section 27.7(a) applies, the determination of whether Super Voting Shares are convertible shall be in the sole discretion of the Company. For greater certainty, the Company may waive any thresholds that apply to a shareholder, if the aggregate 45% Threshold is met.
- (iv) Disputes. In the event of a dispute as to the number of Subordinate Voting Shares issuable to a Super Voting Holder in connection with a conversion of Super Voting Shares, the Company shall issue to the Super Voting Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Section 27.11.
- (b) Beneficial Ownership Restriction.
- (i) Beneficial Ownership. The Company shall not effect any conversion of Super Voting Shares and a Super Voting Holder shall not have the right to convert any portion of its Super Voting Shares, pursuant to Section 27.6 or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the Super Voting Holder (together with the Super Voting Holder’s Affiliates (each, an “**Affiliate**” as defined in Rule 12b-2 under the Exchange Act), and any other persons acting as a group together with the Super Voting Holder or any of the Super Voting Holder’s Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Super Voting Shares subject to the Conversion Notice (the “**Beneficial Ownership Limitation**”).

- (ii) Calculation. For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the Super Voting Holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Super Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) convert of the remaining, non-converted portion of Super Voting Shares beneficially owned by the Super Voting Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Super Voting Holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Super Voting Shares, subject to the Conversion Notice, by the Super Voting Holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Section 27.7(b), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder based on information provided by the Super Voting Holder to the Company in the Conversion Notice.
- (iii) Conversion Limitation. To the extent that the limitation contained in this Section 27.7(b) applies and the Company can convert some, but not all, of such Super Voting Shares, submitted for conversion, the Company shall convert Super Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Super Voting Shares submitted for conversion on such date. The determination of whether Super Voting Shares are convertible (in relation to other securities owned by the Super Voting Holder together with any Affiliates) and of which Super Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the Super Voting Holder's certification as to the Super Voting Holder's beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.
- (iv) Increase of Beneficial Ownership Limitation. The Super Voting Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 27.7(b), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Super Voting Shares subject to the Conversion Notice and the provisions of this Section 27.7 shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 27.7 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor Super Voting Holder.

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27.8 Pre-Emptive Rights

The holders of Super Voting Shares shall have no pre-emptive rights.

27.9 Notices

Any notice required by the provisions of these Special Rights and Restrictions to be given to the Super Voting Holders shall be deemed given if deposited in the mail or courier, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company.

27.10 Status of Converted Super Voting Shares

Any Super Voting Share converted shall be retired and cancelled and may not be reissued as shares of such series or any other class or series, and the Company may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of Super Voting Shares accordingly.

27.11 Disputes

Any Super Voting Holder that beneficially owns more than 5% of the issued and outstanding Super Voting Shares may submit a written dispute as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio, 45% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the Super Voting Holder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, 45% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the Super Voting Holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, 45% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Company and the Super Voting Holder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the Conversion Ratio, 45% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the Super Voting Holder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

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28. FORUM FOR ADJUDICATION OF CERTAIN DISPUTES

28.1 Forum for Adjudication of Certain Disputes.

Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom (collectively, the "**Courts**") shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Company to the Company, (iii) any action asserting a claim arising pursuant to any provision of the *Business Corporations Act* or the notice of articles or articles of the ~~Corporation~~ Company (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (iv) does not include claims related to the business carried on by the Company or such affiliates. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the Province of British Columbia (a "**Foreign Action**") in the name of any registered or beneficial shareholder, such registered or beneficial shareholder shall be deemed to have consented to (i) the personal jurisdiction of the Courts in connection with any action brought in any such Court to enforce the foregoing exclusive forum provision (an "**Enforcement Action**"), and (ii) having service of process made upon such registered or beneficial shareholder in such Enforcement Action by service upon such registered or beneficial shareholder's counsel in the Foreign Action as agent of the shareholder.

29. ADDITIONAL RIGHTS PRIVILEGES, RESTRICTIONS AND CONDITIONS APPLICABLE TO EQUITY SHARES

29.1 Rights, Privileges, Restrictions and Conditions Applicable to Equity Shares.

(a) For the purposes of this Section 29, the following terms will have the meaning specified below:

“**Applicable Price**” means a price per Equity Share determined by the board of directors, but not less than 95% of the lesser of: (i) the Closing Market Price of the Subordinate Voting Shares on the Exchange; and (ii) the five-day volume weighted average price of the Subordinate Voting Shares on the Exchange for the five trading days immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates). Notwithstanding the foregoing, if the Subordinate Voting Shares are not traded or quoted for trading on the Exchange or any other marketplace, the Applicable Price may be determined by the board of directors in its sole discretion;

“**Business**” means the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products, including in the United States or elsewhere, which include the owning and operating of cannabis licenses;

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“**Closing Market Price**” shall be: (i) an amount equal to the closing price of the Subordinate Voting Shares on the trading day immediately prior to the closing of the Redemption or Transfer if there was a trade on the specified date and the applicable exchange or market provides a closing price; or (ii) an amount equal to the average of the last bid and last asking prices of the Subordinate Voting Shares on the trading day immediately prior to the closing of the Redemption or Transfer if there was no trading on the applicable date;

“**Determination Date**” means the date on which the Company provides written notice to any shareholder that the board of directors has determined that such shareholder is an Unsuitable Person;

“**Equity Shares**” means, collectively, the Subordinate Voting Shares, Multiple Voting Shares, Preferred Shares and Super Voting Shares;

“**Exchange**” means the Canadian Securities Exchange or the then principal marketplace on which the Subordinate Voting Shares are listed or quoted for trading, if any;

“**Governmental Authority**” or “**Governmental Authorities**” means any United States or foreign, federal, provincial, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority) and any Exchange;

“**Licenses**” means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority to or for the benefit of the Company or any affiliate required for, or relating to, the conduct of the Business;

“**Outstanding Equity Shares**” means the sum of: (i) the issued and outstanding Subordinate Voting Shares; (ii) the number of Subordinate Voting Shares into which the issued and outstanding Super Voting Shares may be converted; and (iii) the number of Subordinate Voting Shares into which the issued and outstanding Multiple Voting Shares may be converted;

“**Ownership**” (and derivatives thereof) means (i) ownership of record as evidenced in the Company’s central securities register, (ii) “beneficially own” as defined in Section 1 of the *Business Corporations Act*, or (iii) the power to exercise control or direction over a security;

“**Person**” means an individual, partnership, corporation, company, limited or unlimited liability company, trust or any other entity;

“**Redemption**” has the meaning ascribed thereto in Section 29.1(h);

“**Redemption Date**” means the date on which the Company will redeem and pay for the Equity Shares pursuant to Section 29. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Equity Shares be redeemed as of an earlier date or the board of directors determines in its reasonable discretion that the Equity Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith;

“**Redemption Notice**” has the meaning ascribed thereto in Section 29.1(i);

“**Significant Interest**” means Ownership of five percent (5%) or more of the Outstanding Equity Shares, including through acting jointly or in concert with another shareholder, or such other number of Equity Shares as is determined by the board of directors from time to time;

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“**Subject Shareholder**” means a Person, a group of Persons acting jointly or in concert or a group of Persons who the board of directors reasonably determines are acting jointly or in concert;

“**Trading Day**” means a day on which trades of any class of the Equity Shares are executed on the Exchange or any other stock exchange on which the Equity Shares are listed or quoted for trading;

“**Transfer**” has the meaning ascribed thereto in Section 29.1(h);

“**Transfer Date**” means the date on which a Transfer of Equity Shares required by the Company is required to be completed by the Company;

“**Transfer Notice**” has the meaning ascribed thereto in Section 29.1(l);

“**Transferred Share**” has the meaning ascribed thereto in Section 29.1(h); and

“**Unsuitable Person**” means:

- (i) any Person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Equity Shares;

- (ii) any Person (including a Subject Shareholder) with a Significant Interest whose ownership of Equity Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or may result in the Company or any affiliate being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such Person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, all as determined by the board of directors; or
 - (iii) any Person who has not been determined by the applicable Governmental Authority to be an acceptable Person or otherwise have not received the requisite consent of such Governmental Authority to own the Equity Shares within a reasonable period of time acceptable to the board of directors or prior to acquiring any Equity Shares, as applicable.
- (b) Subject to Section 29.1(d), no Subject Shareholder may acquire Equity Shares that would result in the holding of a Significant Interest, directly or indirectly, in one or more transactions, without providing not less than 30 days' advance written notice (or such shorter period as the board of directors may approve) to the Company by written notice to the Company's head office to the attention of the secretary of the Company and without having received all required approvals from all Governmental Authorities.
- (c) If the board of directors reasonably believes that a Subject Shareholder may have failed to comply with any of the provisions of Section 29.1(b), the Company may, without prejudice to any other remedy hereunder, apply to the Supreme Court of British Columbia or another court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Equity Shares Owned.
- (d) The provisions of Sections 29.1(b) and 29.1(c) will not apply to the Ownership, acquisition or disposition of Equity Shares as a result of:
- (i) any transfer of Equity Shares occurring by operation of bankruptcy or insolvency law including, inter alia, the transfer of Equity Shares of the Company to a trustee in bankruptcy;

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- (ii) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Equity Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with Section 29.1(b);
 - (iii) the holding by a recognized clearing agency or recognized depository in the ordinary course of its business; or
 - (iv) the conversion, exchange or exercise of securities of the Company or an affiliate (other than the Equity Shares) duly issued or granted by the Company or an affiliate, into or for Equity Shares, in accordance with their respective terms.
- (e) At the option of the Company and upon determination by the board of directors that an Unsuitable Person has not received the requisite approval of any Governmental Authority to own the Equity Shares, the Company may issue a notice prohibiting any Unsuitable Person owning Equity Shares from exercising any voting rights with respect to such Equity Shares and on and after the Determination Date specified therein, and/or providing that such holder will cease to have any rights whatsoever with respect to such Equity Shares, including any rights to the receipt of dividends from the Company, other than the right to receive the Applicable Price, without interest, on the Redemption Date or the Transfer Date, as applicable; provided, however, that if any such Equity Shares come to be owned solely by Persons other than an Unsuitable Person (such as by transfer of such Equity Shares to a liquidating trust, subject to the approval of the board of directors and any applicable Governmental Authority), such Persons may, in the discretion of the board of directors, exercise the voting and/or other rights attached to such Equity Shares and the board of directors may determine, in its sole discretion, not to redeem or require the Transfer of such Equity Shares.
- (f) Notwithstanding anything to the contrary contained herein, all transfers of Super Voting Shares and Multiple Voting Shares are subject to the other provisions of these Articles.
- (g) Following any Redemption in accordance with the terms of this Section 29, the redeemed Equity Shares will be cancelled.
- (h) At the option, but not obligation, of the Company, and at the discretion of the board of directors, any Equity Shares directly or indirectly owned by an Unsuitable Person may be (i) redeemed by the Company (for the Applicable Price) out of funds lawfully available on the Redemption Date (a "**Redemption**"), or (ii) required to be transferred to a third party for the Applicable Price and on such terms and conditions as the board of directors may direct (a "**Transfer**", and each Equity Share subject to a Transfer, a "**Transferred Share**"). Equity Shares to be redeemed or mandatorily transferred pursuant to this section will be redeemed or mandatorily transferred at any time and from time to time pursuant to the terms hereof.
- (i) In the case of a Redemption, the Company will send a written notice to the holder of the Equity Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Equity Shares to be redeemed on the Redemption Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Equity Shares (or certificate therefor, as applicable) must be surrendered, or accompanied by proper instruments of transfer (and if so determined by the board of directors, together with a medallion signature guarantee), and (v) any other requirement of surrender of the Equity Shares to be redeemed (the "**Redemption Notice**"). The Redemption Notice may be conditional such that the Company need not redeem the Equity Shares owned by an Unsuitable Person on the Redemption Date if the board of directors determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.

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- (j) Upon receipt by the Unsuitable Person of a Redemption Notice in accordance with Section 29.1(i) and surrender of the relevant Equity Share certificate, if applicable, the holder of the Equity Shares tendered for redemption (together with the applicable transfer documents) shall be entitled to receive the Applicable Price per redeemed Equity Share.
- (k) The Applicable Price payable in respect of the Equity Shares surrendered for Redemption during any calendar month shall be satisfied by way of cash payment no later than the last day of the calendar month following the month in which the Equity Shares were tendered for Redemption. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Redemption, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the redeemed Equity Shares.

- (l) In the case of a required Transfer, the Company will send a written notice to the holder of the Equity Shares in question, which will set forth: (i) the Transfer Date, (ii) the number of Equity Shares to be Transferred on the Transfer Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Equity Shares (or certificate therefor, as applicable) must be surrendered, accompanied by proper instruments of transfer (and if so determined by the board of directors, together with a medallion signature guarantee), and (v) any other requirement in respect of the Equity Shares to be Transferred, which may without limitation include a requirement to dispose of the Equity Shares via the Exchange to a Person who would not be in violation of the provisions of this Section 29.1(l) (the “**Transfer Notice**”). The Transfer Notice may be conditional such that the Company need not require the Transfer of the Equity Shares owned by an Unsuitable Person on the Transfer Date if the board of directors determines, in its sole discretion, that such Transfer is no longer advisable or necessary on or before the Transfer Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.
- (m) Upon receipt by the Unsuitable Person of a Transfer Notice in accordance with Section 29.1(l) and surrender of the relevant Equity Share certificate, if applicable (together with applicable Transfer documents), the holder of the Equity Shares tendered for Transfer shall be entitled to receive the Applicable Price per Transferred Share.
- (n) The Applicable Price payable in respect of the Equity Shares surrendered for Transfer during any calendar month shall be satisfied, less any costs to the Company of the Transfer, by way of cash payment no later than the last day of the calendar month following the month in which the Equity Shares were tendered for Transfer. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Transfer, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the Transferred Shares.

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- (o) If Equity Shares are required to be Transferred under Section 29.1(l), the former owner of the Equity Shares immediately before the Transfer shall by that Transfer be divested of their interest or right in the Equity Shares, and the Person who, but for the Transfer, would be the registered owner of the Equity Shares or a Person who satisfies the Company that, but for the Transfer, they could properly be treated as the registered owner or registered holder of the Equity Shares shall, from the time of the Transfer, be entitled to receive only the Applicable Price per Transferred Share, without interest, less any applicable taxes and any costs to the Company of the Transfer.
- (p) Following the sending of any Redemption Notice or Transfer Notice, and prior to the completion of the Redemption or Transfer specified therein, the Company may refuse to recognize any other disposition of the Equity Shares in question.
- (q) If the Company does not know the address of the former holder of Equity Shares Transferred or Redeemed hereunder, it may retain the amount payable to the former holder thereof, title to which shall revert to the Company if not claimed within two (2) years (and at that time all rights thereto shall belong to the Company).
- (r) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Applicable Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.
- (s) All notices given by the Company to holders of Equity Shares pursuant to this Schedule, including a Redemption Notice or Transfer Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder’s registered address as shown on the Company’s share register.
- (t) The Company’s right to Redeem or Transfer Equity Shares pursuant to this Section 29 will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the notice of articles or the articles of the Company or otherwise with respect to the Equity Shares or any restrictions on holders thereof.
- (u) In connection with the conduct of its or its affiliates’ Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.
- (v) The board of directors can waive any provision of this Section 29 in its sole discretion.
- (w) In the event that any provision (or portion of a provision) of this Section 29 or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of Section 29 (including the remainder of such provision, as applicable) will continue in full force and effect.
- (x) In the administration of the provisions of these Articles, the board of directors shall have, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion, to carry out the intent and purpose of these Articles.
- (y) Wherever in these Articles it is necessary to determine the opinion of the board of directors of directors, such opinion shall be expressed and conclusively evidenced by a resolution of the board of directors duly adopted, including a resolution in writing executed pursuant these Articles and the *Business Corporations Act*.
- (z) No shareholder of the Company nor any other Person claiming an interest in shares of the Company shall have any claim or action against the Company or against any director or officer of the Company, and the Company shall have no claim or action against any director or officer of the Company, arising out of any act (including any omission to act) taken by any such director or officer pursuant to, or in intended pursuance of, the provisions of these articles or any breach or alleged breach of such provisions.

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30. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE PREFERRED SHARES

The Preferred Shares of the Company, without nominal or par value, shall have attached thereto the special rights and restrictions as set forth below:

30.1 Issuable in Series

The Preferred Shares may at any time and from time to time be issued in one or more series.

30.2 Name, Number and Special Rights and Restrictions of Preferred Shares

Subject to the *Business Corporations Act*, the board may from time to time, by directors' resolution, if none of the Preferred Shares of any particular series are issued, alter these Articles and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

- (1) determine the maximum number of shares of any of those series of Preferred Shares that the Company is authorized to issue, determine that there is no such maximum number, or alter any determination made under this paragraph (i) or otherwise in relation to a maximum number of those shares;
- (2) create an identifying name by which the shares of any of those series of Preferred Shares may be identified, or alter any identifying name created for those shares; and
- (3) attach special rights or restrictions to the shares of any of those series of Preferred Shares or alter any special rights or restrictions attached to those shares, including, but without limiting or restricting the generality of the foregoing, special rights or restrictions with respect to:
 - (a) the rate, amount, method of calculation and payment of any dividends, whether cumulative, partly cumulative or non-cumulative, and whether such rate, amount, method of calculation or payment is subject to change or adjustment in the future;
 - (b) any rights upon a dissolution, liquidation or winding-up of the Company or upon any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;
 - (c) any rights of redemption, retraction or purchase for cancellation and the prices and terms and conditions of any such rights;
 - (d) any rights of conversion, exchange or reclassification and the terms and conditions of any such rights;
 - (e) any voting rights and restrictions;
 - (f) the terms and conditions of any share purchase plan or sinking fund;
 - (g) restrictions respecting payment of dividends on, or the return of capital, repurchase or redemption of, any other shares of the Company; and
 - (h) any other special rights or restrictions, not inconsistent with these share provisions, attaching to such series of Preferred Shares.

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30.3 Alteration to Rights of Preferred Shares

As long as any Preferred Shares remain outstanding, the Company will not, without the consent of the holders of the Preferred Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Preferred Shares as a class.

30.4 Rank

No special rights or restrictions attached to any series of Preferred Shares will confer upon the shares of that series a priority over the shares of any other series of Preferred Shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital. The Preferred Shares of each series will, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital, rank on a parity with the shares of every other series.

30.5 Class Rights or Restrictions

- (1) Holders of Preferred Shares will be entitled to preference with respect to payment of dividends over the Super Voting Shares, the Multiple Voting Shares, the Subordinate Voting Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends.
 - (2) In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares will be entitled to preference over the Super Voting Shares, the Multiple Voting Shares, the Subordinate Voting Shares and any other shares ranking junior to the Preferred Shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the Preferred Shares.
 - (3) The Preferred Shares may also be given such other preferences over the Super Voting Shares, the Multiple Voting Shares, the Subordinate Voting Shares and any other shares ranking junior to the Preferred Shares as may be fixed by directors' resolution as to the respective series authorized to be issued.
-



INCORPORATED UNDER THE BRITISH COLUMBIA BUSINESS CORPORATIONS ACT

JUSHI HOLDINGS INC.

CERT.9999

CUSIP: 48213Y107
ISIN: CA48213Y1079

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*****9,000,000,000***
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THIS CERTIFIES THAT

* SPECIMEN *

IS THE REGISTERED HOLDER OF

NINE BILLION AND 00/100

**FULLY PAID AND NON-ASSESSABLE CLASS B SUBORDINATE VOTING SHARES WITHOUT PAR VALUE IN THE CAPITAL OF
JUSHI HOLDINGS INC.**

transferable on the books of the Corporation only upon surrender of this certificate properly endorsed.

This certificate is not valid until countersigned by the Transfer Agent and Registrar of the Corporation.

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed on its behalf by the facsimile signatures of its duly authorized officers

DATED: JUNE 5, 2019

COUNTERSIGNED AND REGISTERED
ODYSSEY TRUST COMPANY VANCOUVER
TRANSFER AGENT & REGISTRAR CALGARY

PRESIDENT

CEO

By: **VOID**
Authorized Officer

The shares represented by this certificate are transferable at the offices of Odyssey Trust Company Vancouver, BC and Calgary, AB

SECURITY INSTRUCTIONS ON REVERSE VOIR LES INSTRUCTIONS DE SÉCURITÉ AU VERSO

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The following abbreviations shall be construed as though the words set forth below opposite each abbreviation were written out in full where such abbreviation appears:

TEN COM	- as tenants in common
TEN ENT	- as tenants by entireties
JT TEN	- as joint tenants with right of survivorship and not tenants in common
(Name) CUST (Name) UNIF	- (Name) as Custodian for (Name) under the
GIFT MIN ACT (State)	- (State) Uniform Gifts to Minors Act
In the case of an individual assignee, show at least one given name in full	

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

PLEASE INSERT SOCIAL INSURANCE NUMBER,
SOCIAL SECURITY NUMBER OR OTHER

IDENTIFYING NUMBER OF TRANSFEREE

S.I.N./S.S.N. _ _ _ - _ _ _ - _ _ _

Please print or typewrite name and address (including postal code or zip code, as applicable) of transferee

_____ securities
registered in the name of the undersigned on the books of the Company named on the face of this certificate and represented hereby, and irrevocably
constitutes and appoints a duly authorized officer of the transfer agent and registrar as the attorney of the undersigned to transfer the said securities on
the register of transfers and books of the Company with full power of substitution hereunder.

DATED: _____ 20 _____

Signature: _____

NOTICE: The signatures of this assignment must correspond with the name as written upon the face of the certificate, in every particular, without
alteration or enlargement, or any change whatsoever, and must be guaranteed by a Canadian chartered bank or eligible guarantor institution
with membership in an approved signature guarantee medallion program.

Signature Guaranteed By:

SECURITY INSTRUCTIONS - INSTRUCTIONS DE SÉCURITÉ

THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING
WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

PAPIER FILIGRANÉ, NE PAS ACCEPTER SANS VÉRIFIER LA PRÉSENCE
DU FILIGRANE. POUR CE FAIRE, PLACER À LA LUMIÈRE.



TRUST INDENTURE Exhibit 4.2
DATED AS OF THE 20th DAY OF NOVEMBER, 2020
BETWEEN
JUSHI HOLDINGS INC., AS ISSUER
AND
ODYSSEY TRUST COMPANY, AS TRUSTEE
PROVIDING FOR THE ISSUE OF NOTES

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THIS INDENTURE made as of the 20th day of November, 2020.

BETWEEN:

JUSHI HOLDINGS INC., a company subsisting under the laws of the Province of British Columbia (hereinafter called the "**Issuer**");

AND

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia and Alberta (hereinafter called the "**Trustee**");

WITNESSETH THAT:

WHEREAS the Issuer considers it desirable for its business purposes to create and issue Notes of one or more series from time to time in the manner and subject to the terms and conditions set forth in this Indenture from time to time;

AND WHEREAS the Issuer, subject to the terms hereof, may issue Notes in an unlimited aggregate principal amount and as of the date hereof the Issuer has duly authorized the issuance of 10% Senior Secured Notes due January 15, 2023.

NOW THEREFORE it is hereby covenanted, agreed and declared as set forth herein:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Indenture (including the recitals hereto) and in the Notes, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the meanings hereinafter specified, and the following terms are used herein as defined in the UCC: Deposit Accounts, Inventory and Equipment.

“2019 Senior Secured Notes” means the 10% Senior Secured Notes due January 15, 2023 designated pursuant to Section 3.2 of this Indenture.

“Additional Notes” means Notes of any series (other than the Notes issued on the initial issue date of the relevant series of Notes and any Notes issued in exchange or in replacement (in whole or in part) for such initial Notes) issued under this Indenture in accordance with Section 2.2.

“Applicable Law” means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person’s properties or assets. Notwithstanding the foregoing, neither “Applicable Law” nor “Applicable Laws” shall include the Controlled Substances Act of 1970 or any other law of the United States that would be violated as a result of being a state licensed cannabis business.

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“Applicable Procedures” means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depository that apply to such transfer or exchange.

“Applicable Securities Legislation” means, at any time, applicable securities laws (including rules, regulations, policies, instruments and blanket orders) in each of the provinces and territories of Canada.

“Asset Sale” the meaning given to that term in Section 3.7(a)(iv).

“Authentication Order” has the meaning given to that term in Section 2.4(c).

“Bank Indebtedness” means the principal of, unpaid interest on, and fees, expenses, costs and other amounts due in connection with (i) indebtedness of the Issuer to banks or commercial finance or other lending institutions regularly engaged in the business of lending money, whether or not secured, and (ii) any such indebtedness or any debentures, notes or other evidence of indebtedness issued in exchange for Bank Indebtedness or any indebtedness arising from the satisfaction of Bank Indebtedness by a Guarantor.

“Beneficial Holder” means any Person who holds a beneficial interest in a Global Note as shown on the books of the Depository or a Participant.

“Board of Directors” means:

- (a) with respect to a corporation, the board of directors of the corporation or a duly authorized committee thereof;
- (b) with respect to a partnership, the board of directors of the general partner of the partnership;
- (c) with respect to any other Person, the board, committee or governing body of such Person serving a similar function.

“Board Resolution” means a resolution certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Directors of the Issuer and to be in full force and effect on the date of such certification.

“Book Entry Only Notes” means Notes of a series which, in accordance with the terms applicable to such series, are to be held only by or on behalf of the Depository.

“Business Day” means a Monday, Tuesday, Wednesday, Thursday or Friday upon which the United States Federal Reserve System is open for business, and upon which banks in Calgary, Alberta are open for business.

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“Capital Stock” means:

- (d) in the case of a corporation, corporate stock or shares of any class;
- (e) in the case of an association or business entity other than a corporation, partnership or limited liability company, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (f) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (g) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, regardless of whether such debt securities include any right of participation with Capital Stock.

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors.

“**Change of Control**” means the occurrence of any one or more of the following events: (i) the acquisition by any person or “group” (as defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) of persons (other than current shareholders and their affiliates) of more than 50% (on a fully-diluted basis) of the combined voting power of the then outstanding voting securities of the Issuer, regardless of form or structure of acquisition, (ii) a sale of all or substantially all of the assets of the Issuer (on a consolidated basis), or (iii) Current Directors shall cease to constitute at least a majority of the members of the Issuer’s Board of Directors.

“**Change of Control Offer**” has the meaning given to that term in Section 6.8(a).

“**Change of Control Payment**” has the meaning given to that term in Section 6.8(a).

“**Change of Control Payment Date**” has the meaning given to that term in Section 6.8(a).

“**Collateral**” means all of the owned material assets of the Issuer and each Guarantor, in each case whether owned on the Issue Date or thereafter acquired including, without limitation, all, contract rights, deposits, Deposit Accounts, General Intangibles, Equipment, fixtures, letter-of-credit rights, instruments, Investment Property, documents, commercial tort claims, Intellectual Property and all other assets, wherever located and whether now existing or owned or hereafter acquired or arising, all supporting obligations thereof, and all products and Proceeds thereof, but excluding any Excluded Property.

“**Collateral Agency Agreement**” means that certain Amended and Restated Collateral Agency Agreement, dated as of November 20, 2020, by and among the Issuer, the Collateral Agent, the holders of all Related Notes and the Trustee.

“**Collateral Agent**” means Acquiom Agency Services LLC acting on behalf of the Holders pursuant to the terms of the Collateral Agency Agreement and the Guaranty and Collateral Security Agreement.

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“**Copyrights**” means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and all renewals of any of the foregoing.

“**Counsel**” means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Issuer and reasonably acceptable to the Trustee.

“**Current Director**” means any member of the Board of Directors of the Issuer as of the Issue Date and: (i) any Person occupying a vacant position on the Board of Directors of the Issuer; or (ii) any successor of a Current Director, in each case whose election, or nomination for election by the Issuer’s shareholders, was approved by at least a majority of the Current Directors then on the Board of Directors.

“**DBRS**” means, collectively, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited or any successor ratings agency thereto.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Default Notice**” has the meaning given to that term in Section 7.2.

“**Definitive Note**” means a Note registered in the name of the Holder thereof, either in certificated form or represented by a direct registration system advice or other similar evidence of the electronic registration of ownership of such Note, issued in accordance with Sections 4.2(b) and 4.6 hereof, and, in the case of a certificated Definitive Note, substantially in the form set out in the Supplemental Indenture providing for the relevant series of Notes (or in the case of the 2019 Senior Secured Note, Appendix A hereto), except that such Note will not bear the Global Note Legend.

“**Depository**” means CDS and such other Person as is designated in writing by the Issuer and acceptable to the Trustee to act as depository in respect of any series of Book Entry Only Notes.

“**Disposition**” has the meaning given to that term in Section 6.7.

“**Event of Default**” has the meaning given to that term in Section 7.1.

“**Excluded Equity**” means: (a) all of the current and future equity interests of the SW Companies; (b) securities of Cresco Labs, Inc. (including any of its successors) or securities exchanged thereof; (c) the securities of TGS National Holding, LLC and its Subsidiaries or securities exchanged thereof and (d) securities of Organigram Holdings Inc. (including any of its successors) or securities exchanged thereof.

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“**Excluded Property**” means, with respect to the Issuer and the Guarantors, (a) real property and leaseholds, accounts receivable and Inventory, (b) vehicles, (c) those assets and equity interests as to which the Issuer reasonably determines that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (d) assets or equity interests to which the granting or perfecting of such a security interest would violate any Applicable Law (including, without limitation, any state or local cannabis and cannabis related laws and regulations) or contract or rights of a Person to such assets or equity interests, but only so long as such grant or perfection would violate any such Applicable Law or contract or the rights of a Person to such assets or equity interests, (e) the current and future SW Assets and TGS Assets, (f) any cannabis, cannabis-related, hemp or hemp-related permits or licenses (the “**Licenses**”) issued by any United States of America, Canadian or other Governmental Authority, whether federal, state, provincial, local or otherwise, in each case to the extent such License cannot be transferred pursuant to Applicable Law, provided that: (i) if the Issuer is permitted at any time to transfer a License, such License shall be pledged by the Issuer as Collateral pursuant to the Guaranty and Collateral Security Agreement upon the unanimous vote of all of the holders of the Related Notes, and (ii) if the Issuer is permitted at any time to transfer a License but all the holders of the Related Notes do not unanimously elect for the Issuer to pledge the applicable License as Collateral hereunder, the Issuer shall not be permitted to pledge the applicable License to any other Person; (g) assets (including Proceeds and products therefrom) acquired pursuant to subsection (e) of the definition of Permitted Indebtedness; and (h) Excluded Equity.

“**Financial Reports**” has the meaning given to such term in Section 6.3.

“**Global Note Legend**” means the legend set forth in Section 2.13(a), which is required to be placed on all Global Notes issued under this Indenture.

“**Global Notes**” means certificates or other electronic registration representing the aggregate principal amount of Notes issued and outstanding and held by, or on behalf of, a Depository.

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, and any agency, branch of government, department or Person exercising executive, legislative, judicial, regulatory or administrative function of or pertaining to government and any corporation or other Person owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, whether domestic or foreign.

“**Guarantee**” means, as to any Guarantor, a guarantee of the obligations of the Issuer as more particularly described in the Guaranty and Collateral Security Agreement.

“**Guaranty and Collateral Security Agreement**” means that amended and restated Guaranty and Collateral Security Agreement, dated as of November 20, 2020, by and among the Issuer, certain of its Subsidiaries, the Collateral Agent and the Trustee.

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“**Guarantor**” means all existing or subsequently acquired or organized direct and/or indirect wholly-owned United States of America and international Subsidiaries of the Issuer, other than: (a) immaterial Subsidiaries, (b) Sound Wellness Holdings, Inc., and its successors, future parent entities and current and future Subsidiaries (collectively, the “**SW Companies**”); (c) any Subsidiary to the extent that the burden or cost of providing a guaranty outweighs the benefit afforded thereby as reasonably determined by the Issuer, (d) any Subsidiary acquired by the Issuer that, at the time of the relevant acquisition, is an obligor in respect of assumed debt to the extent assumed debt prohibits such Subsidiary from providing a guaranty but only for such time that such debt is in existence or such prohibition is in effect, (e) any Subsidiary to the extent the provision of a guaranty by such Subsidiary would result in material adverse tax consequences as determined by the Issuer in its reasonable discretion in consultation with its tax advisors, (f) any Subsidiary that is prohibited by Applicable Law or contract from providing a guaranty or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guaranty but only for such time that such prohibition is in effect or such consent, approval, license or authorization has not yet been granted, and /or (g) any direct or indirect Subsidiary of the Issuer that is not wholly-owned by the Issuer.

“**Holder**” means the Persons for the time being entered in the Register as registered holders of Notes or any transferees of such Persons.

“**Holders’ Request**” means the affirmative vote of, or an instrument signed in one or more counterparts by, the Holder or Holders of more than 50% of the aggregate principal amount of the outstanding Notes requesting the Trustee to take an action or proceeding permitted by this Indenture; provided that in the case of any action or proceeding permitted by this Indenture in respect of any particular series of outstanding Notes, “Holders’ Request” means the affirmative vote of, or an instrument signed in one or more counterparts by, the Holder or Holders of more than 50% of the aggregate principal amount of the outstanding Notes of such series requesting the Trustee to take such action or proceeding.

“**IFRS**” means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as in effect in Canada from time to time.

“**Indenture**” means this indenture (including, for the avoidance of any doubt, the preamble and recitals hereto), as originally executed or as it may from time to time be supplemented, amended, restated, or otherwise modified in accordance with the terms hereof.

“**Intellectual Property**” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including all Copyrights, Patents and Trademarks, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, provided that Intellectual Property shall not include any Excluded Property.

“**Intercompany Note**” means any promissory note evidencing loans made by the Issuer or any Guarantor (or any Subsidiary of the Issuer or any Guarantor) to the Issuer or any other Guarantor.

“**Interest Payment Date**” means, for each series of Notes, a date specified in such series of Notes or the Supplemental Indenture providing for such series of Notes (or, in the case of the 2019 Senior Secured Notes, as specified in Article 3) as the date on which an installment of interest on such Notes shall become due and payable.

“**Investment Property**” means the collective reference to all “investment property” as such term is defined in Section 9 102 of the UCC, including all Pledged Notes and all Pledged Equity; provided that Investment Property shall not include any Excluded Property.

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“**Issue Date**” means the date the Notes are originally issued pursuant to this Indenture.

“**Issuer**” means Jushi Holdings Inc. and includes any successor to or of the Issuer, as permitted by the terms hereof.

“**Issuer Order**” means an order or direction in writing signed by the President, Chief Executive Officer or Chief Financial Officer of the Issuer.

“**Letter of Transmittal**” means the letter of transmittal sent by the Issuer to the holders of Original Senior Secured Notes in connection with the voluntary exchange of each REDACT of principal amount of Original Senior Secured Notes for REDACT of principal amount of 2019 Senior Secured Notes subject to the terms of this Indenture.

“**LVTS**” means the large value electronic money transfer system operated by the Canadian Payments Association and any successor thereto.

“**Material Adverse Effect**” means, with regard to a Person, a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property or results of operations of such Person.

“**Maturity**” means, when used with respect to a Note of any series, the date on which the principal of such Note or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by acceleration, Redemption Notice, notice of option to elect repayment or otherwise.

“**Maturity Account**” means an account or accounts required to be established by the Issuer (and which shall be maintained by and subject to the control of the Paying Agent) for each series of Notes issued pursuant to and in accordance with this Indenture.

“**Notes**” means the notes, debentures or other evidence of indebtedness of the Issuer issued and authenticated hereunder, or deemed to be issued and authenticated hereunder, and includes Global Notes and for greater certainty, the 2019 Senior Secured Notes, but for the avoidance of doubt does not include the Original Senior Secured Notes.

“**Notes Majority**” has the meaning given to that term in Section 7.2.

“**Obligations**” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any indebtedness.

“**Officers’ Certificate**” means a certificate signed on behalf of the Issuer by the Chief Executive Officer or the Chief Financial Officer of the Issuer, delivered to the Trustee that meets the requirements of this Indenture.

“**Opinion of Counsel**” means an opinion from legal counsel who is reasonably acceptable to the Trustee (who may be counsel to or an employee of the Issuer) that meets the requirements of this Indenture.

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“**Original Senior Secured Notes**” means the 10% senior secured notes due January 15, 2023 issued by the Issuer pursuant to subscription agreements entered into by the Issuer and the other parties thereto between December 23, 2019 and July 30, 2020.

“**Original Issue Date**” means January 1, 2020.

“**Original U.S. Holder**” means any (1)(a) Holder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire 2019 Senior Secured Notes while in the United States, or (iv) was in the United States at the time such Holder’s buy order was made or such Holder executed or delivered its purchase order for the 2019 Senior Secured Notes, or (b) person who acquired 2019 Senior Secured Notes on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, in each case that is either (2)(a) a Qualified Institutional Buyer and the original purchaser of the 2019 Senior Secured Notes and who delivered a properly executed Qualified Institutional Buyer Certificate to the Issuer in connection with its purchase of 2019 Senior Secured Notes from the Issuer, or (b) a U.S. Accredited Investor and the original purchaser of the 2019 Senior Secured Notes and who delivered a properly executed U.S. Accredited Investor Certificate to the Issuer in connection with its purchase of 2019 Senior Secured Notes from the Issuer.

“**Participants**” has the meaning given to that term in Section 4.2(d).

“**Patent**” means (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing.

“**Paying Agent**” has the meaning given to that term in Section 2.5.

“**Permitted Indebtedness**” means any of the following without duplication:

(a) debt represented by the Related Notes; and

(b) debt to refinance all or a portion of the then outstanding Related Notes (the “**Senior Secured Note Refinancing Debt**”). In the event the Issuer elects to refinance less than 100% of the then outstanding Related Notes, such Senior Secured Note Refinancing Debt (i) may be guaranteed by the Guarantors to the same extent of the guarantees guarantying the Related Notes, (ii) may be secured by liens on the Collateral to the same extent as the liens securing the Related Notes and guarantees, (iii) may not have a cash interest rate that is higher than the one applicable to the Related Notes, (iv) may not have covenants that are more restrictive with respect to the Issuer and its Subsidiaries than the covenants contained in the Related Notes and the Guaranty and Collateral Security Agreement, in any material respect, (v) may not have any scheduled maturities (including, without limitation, amortization payments) or put dates prior to 45 days after the Stated Maturity of the Related Notes (and any change of control, asset sale and other prepayment/redemption provisions therein will provide that the Related Notes are to be repaid prior to such Senior Secured Note Refinancing Debt), and (vi) the aggregate principal amount of the Senior Secured Note Refinancing Debt does not exceed in the aggregate the sum of (1) the aggregate principal amount of Related Notes being refinanced, (2) the amount of accrued but unpaid interest due on the Related Notes being refinanced and any reasonably determined premium, prepayment penalty or similar payment necessary to accomplish any such refinancing, and (3) the amount of reasonable and customary fees, expenses and costs related to obtaining and closing such Senior Secured Note Refinancing Debt); and

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(c) debt (including by assumption of debt) resulting from or arising in connection with: (1) the purchase or other acquisition of any equity securities or interests of a Person, (2) the purchase or other acquisition of all or substantially all of the assets or properties of a Person, or any division, line of business or business unit of a Person (including, without limitation, the direct purchase of one or more licenses to operate a medical and/or adult use cannabis business), or (3) any merger or consolidation with a Person, in each case approved by the Issuer’s Board of Directors to the extent required by Applicable Law or the governing documents of the Issuer, and any such acquisition debt (i) may be secured by a lien on the assets and/or equity being acquired in the acquisition, provided that to the extent such assets and/or equity do not constitute Excluded Property, the Related Notes are also secured by a lien on such assets and equity subordinated only to the acquisition debt lien which upon repayment of such acquisition debt, the liens on the acquired assets and/or equity securing the Related Notes will automatically become a first priority senior lien, (ii) may be guaranteed by the Guarantors to the same extent as the guarantees on the Related Notes, (iii) may be secured by liens on the Collateral to the same extent as the liens securing the Related Notes, (iv) may not have covenants that are more restrictive with respect to the Issuer and its Subsidiaries than the covenants contained in the Related Notes and the Guaranty and Collateral Security Agreement in any material respect, provided that, notwithstanding the foregoing, the entity or entities acquiring assets and/or equity pursuant to such acquisition debt may provide to the applicable seller(s) of such assets and/or equity covenants more restrictive than the covenants contained in the Related Notes and the Guaranty and Collateral Security Agreement, and (v) may not have any scheduled maturities (including, without limitation, amortization payments) or put dates prior to 45 days after the Note Maturity Date of the Related Notes (and any change of control, asset sale and/or other prepayment provisions therein (whether mandatory or optional) will provide that the Related Notes are to be repaid prior to such indebtedness); and

(d) debt basket limited to REDACT million at any one time from the sale and leaseback of real estate owned by the Issuer or any of its Subsidiaries prior to December 23, 2019; provided that the amount of debt incurred by the Issuer or a Subsidiary in connection with such transaction shall be equal to the proceeds received by the Issuer or the applicable Subsidiary; and

(e) debt basket limited to REDACT million at any one time outstanding. Any liens securing such indebtedness shall only apply to the property or assets acquired or improved with the proceeds of such indebtedness. Such property or assets (including proceeds and products therefrom) will be Excluded Property; and

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(f) the secured indebtedness of the Issuer and its Subsidiaries who are Guarantors to be outstanding immediately following December 23, 2019, including, for the avoidance of doubt, all contingent and conditional secured indebtedness of the Issuer arising from or related to any contractual or other obligation of the Issuer or any Guarantor entered into prior to the Issue Date (the “**Secured Surviving Debt**”), and all other indebtedness of the Issuer to be outstanding immediately following December 23, 2019 including, for the avoidance of doubt, all contingent and conditional indebtedness of the Issuer or any Guarantor arising from or related to any contractual or other obligation of the Issuer entered into prior to the Issue Date (“**Other Surviving Debt**”); and

(g) debt incurred in connection with the restructuring of the approximately REDACT aggregate principal amount of senior secured notes issued by a third party entity and assumed by the Issuer (the “**Exchange Notes**”), which may have terms and conditions different or more favorable to the holder of Exchange Notes than the terms of the Related Notes; and

(h) intercompany debt subject to reasonable industry standards as determined by the Issuer; and

(i) debt owed to trade creditors of the Issuer or any Subsidiary incurred in the ordinary course of business (including, without limitation, debt incurred in connection with a purchase money security interest); and

(j) debt in connection with the purchase, sale or improvement of real estate (including pursuant to a sale and leaseback transaction), provided that the ownership or right to use or occupy such real estate was acquired by the Issuer or any of its Subsidiaries after December 23, 2019.

Notwithstanding anything contained herein to the contrary, for purposes of this Indenture the Issuer and its Subsidiaries may disregard the provisions of IFRS 16 (Leases) and their respective balance sheets when determining whether a lease constitutes “debt” or “indebtedness”, and may, in good faith, elect to treat such leases as operating expenses.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust, joint venture, unincorporated organization or any government, governmental department or agency or political subdivision thereof.

“**Pledged Equity**” means all the equity interests directly or indirectly held by the Issuer or any Guarantor in any Subsidiary, together with any other equity interests, certificates, options or rights of any nature whatsoever in respect of the equity interests of any Person that may be issued or granted to, or held by, the Issuer or any Guarantor while this Agreement is in effect; provided that Pledged Equity shall not include any Excluded Property (including, without limitation, any Excluded Equity).

“**Pledged Notes**” means all promissory notes issued to or held by the Issuer or any Guarantor and all Intercompany Notes not constituting intercompany debt pursuant to subsection (h) of the definition of Permitted Indebtedness; provided that Pledged Notes shall not include any Excluded Property including, without limitation, promissory notes evidencing the accounts receivable of the Issuer or any Guarantor and promissory notes issued to the Issuer or any Guarantor in connection with extensions of trade credit given by the Issuer or any Guarantor in the ordinary course of business;

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“**Proceeds**” means all “proceeds” as such term is defined in Section 9 102 of the UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

“**Quarterly Statements**” has the meaning given to such term in Section 6.3.

“**Record Date**” has the meaning given to such term in Section 2.11(d).

“**Redemption Date**” has the meaning given to that term in Section 5.4.

“**Redemption Notice**” has the meaning given to that term in Section 5.4.

“**Redemption Price**” has the meaning given to that term in Section 5.1.

“**Registrar**” has the meaning given to that term in Section 2.5.

“**Regulation S**” means Regulation S under the U.S. Securities Act.

“**Related Notes**” means, collectively, the 2019 Senior Secured Notes and the Original Senior Secured Notes.

“**Security Documents**” means all of the security agreements, pledges, collateral assignments, mortgages, deeds of hypothec, deeds of trust, trust deeds or other instruments from time to time evidencing or creating or purporting to create any security interests in favour of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes, in all or any portion of the Collateral, as amended, modified, restated, supplemented or replaced from time to time, including, for greater certainty, the Guaranty and Collateral Security Agreement.

“**Senior Indebtedness**” means: (a) any existing indebtedness or obligation of the Issuer as of the date hereof that is designated as “senior”, “first,” “primary” (or any comparable term) under any indenture, instrument, or document governing any indebtedness of the Issuer, other than the Original Senior Secured Notes; or (b) any future Permitted Indebtedness of the Issuer constituting Bank Indebtedness.

“**Stated Maturity**” means, with respect to any installment of interest or principal on any series of indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“**Subsidiary**” means, with respect to any Person, a corporation or other entity of which more than fifty percent (50%) of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

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“**Supplemental Indenture**” means an indenture supplemental to this Indenture which may be executed, acknowledged and delivered for any of the purposes set out in Section 12.4.

“**SW Assets**” means any and all of the assets of the SW Companies.

“**SW Companies**” has the meaning specified in the definition of Guarantor.

“**Taxes**” means any present or future tax, duty, levy, impost, assessment or other government charge (including penalties, interest and any other liabilities related thereto, and for the avoidance of doubt, including any withholding or deduction for or on account of Tax) imposed or levied by or on behalf of a Taxing Authority.

“**Taxing Authority**” means any government or any political subdivision, province, municipality, state or territory or possession of any government or any authority or agency therein or thereof having power to tax.

“**TGS Assets**” means any and all of the assets of TGS National Holdings, LLC and its Subsidiaries.

“**Trademarks**” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto and (b) the right to obtain all renewals thereof.

“**Trustee**” means Odyssey Trust Company in its capacity as trustee under this Indenture and its successors and permitted assigns in such capacity.

“**UCC**” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the security interests in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act.

“**U.S. Holder**” means any (a) Holder that (i) is in the United States, (ii) received an offer to acquire 2019 Senior Secured Notes while in the United States, or (iii) was in the United States at the time such Holder’s buy order was made or such Holder executed or delivered its purchase order for the 2019 Senior Secured Notes, or (b) person who acquired 2019 Senior Secured Notes on behalf of, or for the account or benefit of, any person in the United States.

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“**U.S. Legend**” has the meaning set forth in Section 2.3(h).

“**U.S. Person**” has the meaning set forth in Rule 902(k) of Regulation S.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**U.S.\$**”, “**\$**” and “**US dollars**” mean the lawful currency of the United States of America.

1.2 Meaning of “Outstanding”

Every Note issued, authenticated and delivered in accordance with this Indenture shall be deemed to be outstanding until it is cancelled or redeemed or delivered to the Trustee for cancellation or redemption for monies or a new Note is issued in substitution for it pursuant to Section 2.10 or the payment for redemption thereof shall have been set aside under Section 5.7, provided that:

- (a) when a new Note has been issued in substitution for a Note which has been lost, stolen or destroyed, only one of such Notes shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding;
- (b) Notes which have been partially redeemed or purchased shall be deemed to be outstanding only to the extent of the unredeemed or unpurchased part of the principal amount thereof; and
- (c) for the purposes of any provision of this Indenture entitling Holders of outstanding Notes of any series to vote, sign consents, resolutions, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Holders thereof, Notes owned directly or indirectly, legally or equitably, by the Issuer or any of its Subsidiaries shall be disregarded (unless the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding aggregate principal amount of such series of Notes at the time outstanding in which case they shall not be disregarded) except that:
 - (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the Holders present or represented at any meeting of Holders, only the Notes in respect of which the Trustee has received an Officers’ Certificate confirming that the Issuer and/or one or more of its Subsidiaries are the only Holders shall be so disregarded; and
 - (ii) Notes so owned which have been pledged in good faith other than to the Issuer or any of its Subsidiaries shall not be so disregarded if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee’s right to vote such Notes, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Issuer or any of its Subsidiaries.

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1.3 Interpretation

In this Indenture:

- (a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;
- (b) all references to Articles and Appendices refer, unless otherwise specified, to articles of and appendices to this Indenture;
- (c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture;
- (d) words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them; and
- (e) “this Indenture”, “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include the Guarantees, as applicable, and any and every Supplemental Indenture.

1.4 Headings, Etc.

The division of this Indenture into Articles, Sections, subsections and paragraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.5 Statute Reference

Any reference in this Indenture to a statute is deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

1.6 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

1.7 Applicable Law

This Indenture and the Notes shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

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1.8 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States of America unless otherwise expressed.

1.9 Invalidity, Etc.

Each provision in this Indenture or in a Note is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof or thereof.

1.10 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s’y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Indenture and all documents and notices related thereto be drawn up in English.

1.11 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, as applicable, whether expressed or not.

1.12 Benefits of Indenture

Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than (i) the parties hereto and their respective successors or assigns hereunder, (ii) any Paying Agent, (iii) the Holders and (iv) the Trustee, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.13 Accounting Terms

Each accounting term used in the Indenture, unless otherwise defined herein, has the meaning assigned to it under IFRS applied consistently throughout the relevant period and relevant prior periods.

ARTICLE 2 THE NOTES

2.1 Issue and Designation of Notes; Ranking

The aggregate principal amount of Notes authorized to be issued and authenticated under this Indenture is unlimited, provided, however, that Notes may be issued under this Indenture only on and subject to the conditions and limitations in this Indenture. The indebtedness evidenced by the Notes will be senior secured obligations of the Issuer and the Guarantors as more fully described in the Guaranty and Collateral Security Agreement.

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2.2 Issuance in Series

- (a) Notes may be issued in one or more series from time to time pursuant to this Indenture and Supplemental Indentures delivered in accordance with the terms of this Indenture. The Notes of each series (i) will have such designation, (ii) may be subject to a limitation of the maximum principal amount authorized for issuance, (iii) will be issued in such denominations, (iv) may be purchased and payable as to principal, premium (if any) and interest at such place or places and in such currency or currencies, (v) will bear such date or dates and mature on such date or dates, (vi) will indicate the portion (if less than all of the principal amount) of such Notes to be payable on declaration of acceleration of Maturity, (vii) will bear interest at such rate or rates (which may be fixed or variable) payable on such date or dates, (viii) may contain mandatory or optional redemption or sinking fund provisions, including the period or periods within which, the price or prices at which and the terms and conditions upon which the Notes may be redeemed or purchased at the option of the Issuer or otherwise, (ix) may contain conversion or exchange terms, (x) will indicate the percentage of the principal amount (including any premium) at which Notes may be issued or redeemed, (xi) will set out each office or agency at which the principal of, premium (if any) and interest on the Notes will be payable, and the addresses of each office or agency at which the Notes may be presented for registration of transfer or exchange, (xii) may contain covenants and events of default in addition to or in substitution for the covenants contained herein and the Events of Default, (xiii) may contain additional legends and/or provisions relating to the transfer and exchange of Notes in addition to those provided for herein, and (xiv) may contain such other terms and conditions, not inconsistent with the those set forth in this Indenture, as may be set forth in a Board Resolution passed at or before the time of the issue of the Notes of such series and such other provisions (to the extent as the Board of Directors may deem appropriate) as are contained in the Notes of such series. The execution by the Issuer of the Notes of such series and the delivery thereof to the Trustee for authentication will be conclusive evidence of the inclusion of the provisions authorized by this subsection.
- (b) All Notes of any one series will be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to this Indenture, an Officers' Certificate or the Supplemental Indenture establishing such series. Not all Notes of any one series need to be issued at the same time, and, unless otherwise provided, Additional Notes or other credit instruments of any series may be issued from time to time, at the option of the Issuer without the consent of any Holder.
- (c) Before the creation of any series of Notes (other than the 2019 Senior Secured Notes, which terms are provided for in Article 3), the Issuer will execute and deliver to the Trustee a Supplemental Indenture for the purpose of establishing the terms of such series of Notes and the forms and denominations in which they may be issued, together with a Board Resolution authorizing the issuance of any such Notes. The Trustee will execute and deliver such Supplemental Indentures from time to time pursuant to Section 12.4.

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- (d) Whenever any series of Notes has been authorized, Notes in such series may from time to time be authenticated by the Issuer and delivered to the Trustee and, subject to Section 2.4, will be certified and delivered by the Trustee to or to the order of the Issuer upon receipt by the Trustee of:
- (i) a Board Resolution authorizing the issuance of a specified principal amount of Notes of such series;
 - (ii) an Officers' Certificate to the effect that there is no existing Event of Default or event which with the giving of notice or passage of time or both would constitute an Event of Default and the Issuer has complied with all other conditions of this Indenture in connection with the issue of such series;
 - (iii) an Issuer Order for the authentication and delivery of such series of Notes specifying the principal amount of the Notes to be authenticated and delivered; and
 - (iv) an Opinion of Counsel addressed to the Trustee to the effect that all legal requirements imposed by this Indenture, any applicable Supplemental Indenture or by law governing the Notes in connection with the issuance, authentication and delivery of such series of Notes have been complied with subject to the delivery of certain documents or instruments specified in such opinion.

2.3 Form of Notes

- (a) The Notes of any series and the Trustee's certificate of authentication shall be substantially in the form set out in the Supplemental Indenture establishing such series (or in the case of the 2019 Senior Secured Notes, in the form set out in Appendix A hereto), together with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. Notes may have notations, legends or endorsements required by law, stock exchange rule or usage, which may include one or more of the legends set forth in Section 2.3(h) or Section 2.13 hereof or in a Supplemental Indenture. Each Note shall be dated the date of its authentication. Unless otherwise set out in the Supplemental Indenture establishing a series of Notes, Notes shall be issued in denominations of REDACT and integral multiples of REDACT.
- (b) The terms and provisions contained in the Notes and the Supplemental Indenture establishing each series of Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture and each applicable Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

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- (c) The Notes of any series may be in different denominations and forms and may contain such variations of tenor and effect, not inconsistent with the provisions of this Indenture, as are incidental to such differences of denomination and form, including variations in the provisions for the exchange of such Notes of different denominations or forms and in the provisions for the registration or transfer of such Notes.
- (d) Subject to Section 2.3(a) and to any limitation as to the maximum principal amount of Notes of any particular series, any Notes may be issued as a part of any series of Notes previously issued, in which case they will bear the same designation and designating letters as those applied to such similar previous issue and will be numbered consecutively upwards in respect of such denominations of Notes in like manner and following the numbers of the Notes of such previous issue.
- (e) All series of Notes which may at any time be issued under this Indenture and the certificate of the Trustee endorsed on such Notes may be in English or any other language or languages or any combination thereof, and may be in the form or forms provided in any Supplemental Indenture or in such other language or languages and in such form or forms as the Board of Directors determines at the time of first issue of any series of Notes, as approved by the Trustee, the approval of which will be conclusively evidenced by its authentication of such Notes.
- (f) If any provision of any series of Notes in a language other than English is susceptible of an interpretation different from the equivalent provision of the English language, the interpretation of such provision in the English language will be determinative.

- (g) Notes may be typed, engraved, printed, lithographed or reproduced in a different form, or partly in one form and partly in another, as the Issuer may determine. The execution of any such Notes by the Issuer and the authentication by the Trustee in accordance with Section 2.4 of any such Notes will be conclusive evidence that such Notes are Notes authorized by this Indenture.

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- (h) Each Note issued to, or for the account for benefit of, a U.S. Holder (other than an Original U.S. Holder that is a Qualified Institutional Buyer), and each Note issued in exchange or substitution therefor, will be evidenced by a Definitive Note that bears the U.S. Legend (as defined below). The Notes have not been and will not be registered under the U.S. Securities Act or under the securities laws of any of the states of the United States, and may not be offered, sold or otherwise disposed of by a U.S. Holder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Notes are the subject of an effective registration statement under the U.S. Securities Act. Each Definitive Note issued for the benefit or account of a U.S. Holder (other than an Original U.S. Holder that is a Qualified Institutional Buyer), and each Definitive Note issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Issuer may prescribe from time to time (the “U.S. Legend”):

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF JUSHI HOLDINGS INC. (THE “ISSUER”), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided that, if the Notes are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, and the Issuer is a “foreign private issuer” (as such term is defined in Regulation S) at the time the Notes are originally issued, the U.S. Legend may be removed (or the Notes may be transferred to an unrestricted CUSIP) by the transferor providing a declaration to the Trustee and the Issuer in the form set forth in Appendix C or as the Issuer may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Issuer; provided further, that, if any such Notes are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws (except in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations related thereto), the U.S. Legend may be removed (or the Notes may be transferred to an unrestricted CUSIP) by delivery to the Trustee and the Issuer of an opinion of counsel, of recognized standing, reasonably satisfactory to the Issuer, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

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2.4 Execution, Authentication and Delivery of Notes

- (a) All Notes shall be signed (either manually or by electronic or facsimile signature) by any two authorized directors or officers of the Issuer, holding office at the time of signing. An electronic or facsimile signature upon a Note shall for all purposes of this Indenture be deemed to be the signature of the individual whose signature it purports to be. Notwithstanding that any individual whose signature, either manual or in facsimile or other electronic means, appears on a Note as a director or officer may no longer hold such office at the date of the Note or at the date of the authentication and delivery thereof, such Note shall be valid and binding upon the Issuer and the Holder thereof shall be entitled to the benefits of this Indenture.
- (b) No Notes will be entitled to any right or benefit under this Indenture or be valid or obligatory for any purpose unless such Notes have been authenticated by manual signature by or on behalf of the Trustee substantially in the form provided for herein or in the relevant Supplemental Indenture. Such authentication upon any Notes will be conclusive evidence, and the only evidence, that such Notes have been duly authenticated, issued and delivered and that the Holder is entitled to the benefits hereof.
- (c) Subject to the terms of this Indenture, the Trustee shall from time to time authenticate one or more Notes (including Global Notes) for original issue on the issue date for any series of Notes upon and in accordance with an Issuer Order (an “**Authentication Order**”), without the Trustee receiving any consideration therefor. Each such Authentication Order shall specify the principal amount of such Notes to be authenticated and the date on which such Notes are to be authenticated. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders except as provided in Section 2.10. Except as provided in Section 6.6, there is no limit on the amount of Notes that may be issued hereunder.
- (d) The certificate by or on behalf of the Trustee authenticating Notes will not be construed as a representation or warranty of the Trustee as to the validity of this Indenture or of any Notes or their issuance (except the due authentication thereof by the Trustee) or as to the performance by the Issuer of its obligations under this Indenture or any Notes and the Trustee will be in no respect liable or answerable for the use made of the proceeds of such Notes. The certificate by or on behalf of the Trustee on Notes issued under this Indenture will constitute a representation and warranty by the Trustee that such Notes have been duly authenticated by and on behalf of the Trustee pursuant to the provisions of this Indenture.

2.5 Registrar and Paying Agent

- (a) The Issuer shall maintain for each series of Notes an office or agency where such Notes may be presented for registration of transfer or for exchange (“**Registrar**”) and an office or agency where such Notes may be surrendered for payment (“**Paying Agent**”). The Registrar shall keep a register of such Notes and of their transfer and exchange.

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- (b) The Issuer may appoint one or more co-registrars and one or more additional paying agents for any series of Notes in such other locations as it shall determine. The term “Registrar” includes any co-registrar and the term “Paying Agent” includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Registrar or Paying Agent which is not a party to this Indenture. If the Issuer does not exercise its option to appoint or maintain another entity as Registrar or Paying Agent in respect of any series of Notes, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar for any series of Notes. The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the Notes.

2.6 Paying Agent to Hold Money in Trust

The Issuer shall require each Paying Agent, other than the Trustee, to agree in writing that the Paying Agent will, and the Trustee when acting as Paying Agent agrees that it will, hold in trust, for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, and interest on the Notes of the relevant series and shall notify the Trustee of any Default by the Issuer in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any money disbursed by it. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary of the Issuer acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of Holders all money held by it as Paying Agent; provided that upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for each series of Notes.

2.7 Book Entry Only Notes

- (a) Subject to Section 2.3(h) and Section 4.2(b) and the provisions of the Notes of any series or any Supplemental Indenture providing for the issuance thereof, Notes shall be issued initially as Book Entry Only Notes represented by one or more Global Notes. Each Global Note authenticated in accordance with this Indenture and any Supplemental Indenture shall be registered in the name of the Depository designated for such Global Note or a nominee thereof and deposited with such Depository or a nominee thereof or custodian therefor, and each such Global Note shall constitute a single Note for all purposes of this Indenture and the applicable Supplemental Indenture. Beneficial interests in a Global Note will not be shown on the register or the records maintained by the Depository but will be represented through book entry accounts of Participants on behalf of the Beneficial Holders of such Global Note in accordance with the rules and procedures of the Depository. None of the Issuer or the Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by any Depository on account of the beneficial interest in any Global Notes or for maintaining, reviewing or supervising any records relating to such beneficial interests therein. Except as otherwise provided in this Indenture or any Supplemental Indenture in respect of a series of Notes, Beneficial Holders of Global Notes shall not be entitled to have Notes registered in their names, shall not receive or be entitled to receive Definitive Notes and shall not be considered owners or holders thereof under this Indenture or any Supplemental Indenture. Nothing herein or in a Supplemental Indenture shall prevent the Beneficial Holders from voting Global Notes using duly executed voting instruction forms.

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- (b) Every Note authenticated and delivered upon registration or transfer of a Global Note, or in exchange for or in lieu of a Global Note or any portion thereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, unless such Note is registered in the name of a Person other than the Depository for such Global Notes or a nominee thereof.

2.8 Global Notes

Notes issued to a Depository in the form of Global Notes shall be subject to the following in addition to the provisions of Section 4.2, unless and until Definitive Notes have been issued to Beneficial Holders pursuant to Section 4.2(b):

- (a) the Trustee may deal with such Depository as the authorized representative of the Beneficial Holders of such Notes;
- (b) the rights of the Beneficial Holders of such Notes shall be exercised only through such Depository and the rights of Beneficial Holders shall be limited to those established by Applicable Law and agreements between the Depository and the Participants and between such Participants and Beneficial Holders, and must be exercised through a Participant in accordance with the rules and procedures of the Depository;
- (c) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders evidencing a specified percentage of the outstanding Notes of any series, the Depository shall be deemed to be counted in that percentage to the extent that it has received instructions to such effect from Beneficial Holders or Participants;
- (d) such Depository will make book-entry transfers among the direct Participants of such Depository and will receive and transmit distributions of principal, premium and interest on the Notes to such direct Participants for subsequent payment to the Beneficial Holders thereof;
- (e) the direct Participants of such Depository shall have no rights under this Indenture or under or with respect to any of the Notes held on their behalf by such Depository, and such Depository may be treated by the Trustee and its agents, employees, officers and directors as the absolute owner of the Notes represented by such Global Notes for all purposes whatsoever;

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- (f) whenever a notice or other communication is required to be provided to Holders in connection with this Indenture or the Notes, the Trustee shall provide all such notices and communications to the Depository for subsequent delivery of such notices and communications to the Beneficial Holders in accordance with Applicable Securities Legislation and the procedures of the Depository;
- (g) notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders thereof. Upon payment over to the Depository, the Trustee, if acting as the Paying Agent, shall have no further liability for the money;

- (h) Subject to the provisions hereof, at the Issuer's option, Notes may, in lieu of being issued in physical form be instead issued and registered in the name of the Depository or its nominee and: (i) the deposit of such Notes may be confirmed electronically by the Trustee to a particular Participant through the Depository; and (ii) shall be identified by a specific CUSIP/ISIN as requested by the Issuer from the Depository to identify each specific series of Note. If the Issuer issues Notes in a non-certificated format, Beneficial Holders of such Notes registered and deposited with CDS shall not receive certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any Supplemental Indenture. Beneficial interests in Notes registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Notes registered and deposited with CDS between Participants shall occur in accordance with the rules and procedures of CDS.
- (i) Notwithstanding anything herein to the contrary, none of the Issuer nor the Trustee nor any agent thereof shall have any responsibility or liability for: (i) the electronic records maintained by the Depository relating to any ownership interests or other interests in the Notes or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Note represented by an electronic position in the non-certificated inventory system administered by the Depository (other than the Depository or its nominee); (ii) maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.

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2.9 Interim Notes

Pending the delivery of Definitive Notes of any series to the Trustee, the Issuer may issue and the Trustee authenticate in lieu thereof (but subject to the same provisions, conditions and limitations as set forth in this Indenture) interim printed, mimeographed or typewriter Notes in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to Definitive Notes of such series when the same are ready for delivery; or the Issuer may execute and deliver to the Trustee and the Trustee authenticate a temporary Note for the whole principal amount of Notes of such series then authorized to be issued hereunder and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Note so delivered to it, as the Issuer and the Trustee may approve entitling the holders thereof to Definitive Notes when the same are ready for delivery; and, when so issued and certified, such interim or temporary Notes or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Notes of such series duly issued hereunder and, pending the exchange thereof for Definitive Notes of such series, the holders of the interim or temporary Notes or interim certificates shall be deemed without duplication to be Holders of such series and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Issuer shall have delivered the Definitive Notes of such series to the Trustee, the Trustee shall call in for exchange all temporary or interim Notes of such series or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Issuer or the Trustee to the holders of such interim or temporary Notes or interim certificates for the exchange thereof.

2.10 Mutilation, Loss, Theft or Destruction

In case any of the Notes issued hereunder shall become mutilated or be lost, stolen or destroyed, the Issuer, in its discretion, may issue, and thereupon the Trustee shall authenticate and deliver, a new Note upon surrender and cancellation of the mutilated Note, or in the case of a lost, stolen or destroyed Note, in lieu of and in substitution for the same, and the substituted Note shall be in a form approved by the Trustee and shall entitle the Holder thereof to the benefits of this Indenture and shall rank equally in accordance with its terms with all other Notes of such series issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Note shall furnish to the Issuer and to the Trustee such evidence of the loss, theft or destruction of the Note as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Note.

2.11 Concerning Interest

- (a) All Notes of each series issued hereunder, whether originally or upon exchange or in substitution for previously issued Notes (including for certainty Notes issued under Sections 2.9 and 2.10), shall bear interest (i) from and including their respective issue date, or (ii) from and including the last Interest Payment Date therefor to which interest shall have been paid or made available for payment on such outstanding Notes, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date therefor.
- (b) Interest on a Note of any series will cease to accrue from the Maturity of such Note (including, for certainty, if such Note was called for redemption, the Redemption Date); unless upon due presentation and surrender of such Note for payment on or after the Maturity thereof, such payment is improperly withheld or refused.

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- (c) If the date for payment of any amount of principal, premium or interest in respect of a Note of any series is not a Business Day at the place of payment, then payment thereof will be made on the next Business Day and the Holder of such Note will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.
- (d) The Holder of any Note of any series at the close of business on any Record Date applicable to a particular series with respect to any Interest Payment Date for such series shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent the Issuer Defaults in the payment of the interest due on such Interest Payment Date for such series, in which case such defaulted interest shall be paid to the Holder of such Note as at the close of business on a subsequent Record Date (which shall be not less than two Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the Holders of all affected Notes not less than 15 days preceding such subsequent Record Date. The term "Record Date" as used with respect to any Interest Payment Date (except a date for payment of defaulted interest) for the Notes of any series shall mean the date specified as such in the terms of the Notes of such series established as contemplated by Section 2.2, and in respect of the 2019 Senior Secured Notes, shall have the meaning specified in Section 3.1.
- (e) Wherever in this Indenture, any Supplemental Indenture or any Note there is mention, in any context, of the payment of interest, such mention is deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Indenture, the Supplemental Indenture or the Note, and express mention of interest on amounts in default in any of the provisions of this Indenture will not be construed as excluding such interest in those provisions of this Indenture where such express mention is not made.

- (f) Unless otherwise specifically provided in this Indenture or the terms of any Note, interest on Notes of any series shall be computed on the basis of a 360-day year of twelve 30-day months. With respect to any series of Notes, whenever interest is computed on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

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2.12 Payments of Amounts Due on Maturity

- (a) Subject to Section 2.12(b), the following provisions shall apply to all Notes, except as otherwise specified in a Supplemental Indenture relating to a particular series of Notes (and, in the case of the 2019 Senior Secured Notes, Article 3):
- (i) in the case of fully registered Notes, the Issuer shall establish and maintain with the Paying Agent a Maturity Account for each series of Notes. On or before 11:00 a.m. (Toronto time) on the Business Day prior to the Stated Maturity date for each series of Notes outstanding from time to time under this Indenture, the Issuer shall deposit in the applicable Maturity Account by wire transfer or certified cheque an amount sufficient to pay all amounts payable in respect of the outstanding Notes of such series (less any Taxes required by law to be deducted or withheld therefrom). The Paying Agent will pay to each Holder of such Notes entitled to receive payment, the principal amount of, and premium (if any) on, such Notes, upon surrender of such Notes to the Paying Agent or at any branch of the Trustee designated for such purpose from time to time by the Issuer and the Trustee. The deposit or making available of such amounts into the applicable Maturity Account will satisfy and discharge the liability of the Issuer for such Notes to which the deposit or making available of funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture to such extent and such Holder will have no other right than to receive out of the money so deposited or made available the amount to which it is entitled. Failure to make a deposit or make funds available as required to be made pursuant to this Section 2.12(a)(i) will constitute Default in payment on the Notes in respect of which the deposit or making available of funds was required to have been made; and
- (ii) in the case of any series of Notes issued and outstanding in the form of or represented by Global Notes, on or before 11:00 a.m. (Toronto time) on the Business Day prior to the Stated Maturity date for such Notes, the Issuer shall deliver to the Trustee, for onward payment to the Depository, in each case by electronic funds transfer, an amount sufficient to pay the amount payable in respect of such Global Notes (less any Taxes required by law to be deducted or withheld therefrom). The Issuer shall pay to the Trustee, for onward payment to the Depository, the principal amount of, and premium (if any) on, such Global Notes, against receipt of the relevant Global Notes. The delivery of such electronic funds to the Trustee for onward payment to the Depository will satisfy and discharge the liability of the Issuer for the series of Notes to which the electronic funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture unless such electronic funds transfer is not received. Failure to make delivery of funds available as required pursuant to this Section 2.12(a)(ii) will constitute Default in payment on the Notes of the series in respect of which the delivery or making available of funds was required to have been made.

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- (b) Notwithstanding Section 2.12(a), all payments in excess of REDACT (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor the Paying Agent shall have any obligation to disburse funds pursuant to Section 2.12(a)(i) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable date of Maturity. The Paying Agent shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

2.13 Legends on Notes

- (a) Each Global Note shall bear a legend in substantially the following form, subject to such modification as required by the applicable Depository (the “**Global Note Legend**”):

“THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THIS INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“**CDS**”) TO JUSHI HOLDINGS INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THIS NOTE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS NOTE.”

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- (b) Prior to the issuance of Notes of any series, the Issuer shall notify the Trustee, in writing, concerning which Notes are to be certificated and are to bear the legend or legends described in this Section 2.13.

2.14 Payment of Interest

The following provisions shall apply to Notes of each series, except as otherwise specified in a Supplemental Indenture relating to a particular series of Notes (and, in the case of the 2019 Senior Secured Notes, Article 3):

- (a) As interest becomes due on each fully registered Note (except on redemption thereof, when interest may at the option of the Issuer be paid upon surrender of such Note), the Issuer, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any Taxes required by law to be deducted or withheld therefrom) to the Holders of record on the Record Date immediately preceding the applicable Interest Payment Date. If payment is made by cheque, such cheque shall be forwarded at least two days prior to each Interest Payment Date and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to Holders), such payment shall be made in a manner whereby the Holder receives credit for such payment on the Interest Payment Date. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any Taxes deducted or withheld as aforesaid, satisfy and discharge all liability for interest on such Note to such extent, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the Issuer shall issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Issuer is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on any Note in the manner provided above, the Issuer may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above. If payment is made through the Trustee, by 11:00 a.m. (Toronto time) at least one Business Day prior to the related Interest Payment Date for a Note or to the date of mailing the cheques for the interest due on such Interest Payment Date for such Note, whichever is earlier, the Issuer shall deliver sufficient funds to the Trustee by electronic transfer or certified cheque or make such other arrangements for the provision of funds as may be agreeable between the Trustee and the Issuer in order to effect such interest payment hereunder.

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- (b) So long as the Notes of any series or any portion thereof are issued in the form of or represented by a Global Note, then all payments of interest on such Global Note shall be made by 11:00 a.m. (Toronto time) at least one Business Day prior to the related Interest Payment Date by electronic funds transfer made payable to the Trustee for subsequent payment to the Depository on behalf of the Beneficial Holders of the applicable interests in that Global Note, unless the Issuer and the Trustee agree.
- (c) Notwithstanding Sections 2.14(a) and 2.14(b), all payments in excess of REDACT (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor Paying Agent, as applicable, shall have any obligation to disburse funds in respect of any Note pursuant to Section 2.14(a) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable with respect to such Interest Payment Date for such Note. The Trustee or Paying Agent, as applicable, shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

2.15 Record of Payment

The Trustee will maintain accounts and records evidencing any payment, by it or any other Paying Agent on behalf of the Issuer, of principal, premium (if any) and interest in respect of Notes of each series, which accounts and records will constitute, in the absence of manifest error, prima facie evidence of such payment.

2.16 Representation Regarding Third Party Interest

The Issuer hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, for or to the credit of the Issuer, either (a) is not intended to be used by or on behalf of any third party; or (b) is intended to be used by or on behalf of a third party, in which case the Issuer hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee's prescribed form or in such other form as may be reasonably satisfactory to it, as to the particulars of such third party.

ARTICLE 3 TERMS OF THE 2019 SENIOR SECURED NOTES

3.1 Definitions

In this Article 3 and in the 2019 Senior Secured Notes, the following terms have the following meanings:

“**Additional 2019 Notes**” means any 2019 Senior Secured Notes issued under and pursuant to the terms of and subject to the conditions of this Indenture after the Issue Date.

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“**Interest Payment Date**” for the purposes of this Article 3 means March 31, June 30, September 30, and December 31 of each year that the 2019 Senior Secured Notes are outstanding and (except in respect of any Additional 2019 Notes) commencing on December 31, 2020.

“**Interest Period**” means the period commencing on the later of (a) the Issue Date of the 2019 Senior Secured Notes and (b) the immediately preceding Interest Payment Date on which interest has been paid, and ending on the day immediately preceding the Interest Payment Date in respect of which interest is payable.

“**Record Date**” means the close of business fifteen (15) Business Days preceding the relevant Interest Payment Date.

“**Note Account**” means any account which is designated in writing to the Trustee as the Note Account from time to time.

“**Note Maturity Date**” has the meaning given to it in Section 3.5.

3.2 Designation of the 2019 Senior Secured Notes

In accordance with this Indenture, the Issuer is authorized to exchange each Original Senior Secured Note tendered under a valid and duly completed and executed Letter of Transmittal for Notes of a series designated as the “10% 2019 Senior Secured Notes due January 15, 2023”.

3.3 Aggregate Principal Amount

The aggregate principal amount of Notes which may be issued under this Indenture is unlimited, *provided, however*, that the maximum principal amount of 2019 Senior Secured Notes initially issued hereunder on the Issue Date shall be up to REDACT. The Issuer may, from time to time, without the consent of any existing Holders but subject to Section 6.6, create and issue Additional 2019 Notes hereunder having the same terms and conditions as the 2019 Senior Secured Notes, in all respects, except for the date of issuance, issue price and the first payment of interest thereon. Additional 2019 Notes so created and issued will be consolidated with and form a single series with the 2019 Senior Secured Notes.

3.4 Authentication

The Trustee shall initially authenticate one or more Global Notes for original issue on the Issue Date or otherwise to permit transfers or exchanges in accordance with Section 4.6 upon receipt by the Trustee of a duly executed Authentication Order. After the initial Issue Date, subject to Section 3.3, the Issuer may issue, from time to time, and the Trustee shall authenticate upon receipt of an Authentication Order, Additional 2019 Notes for original issue. Except as provided in Section 6.6, there is no limit on the amount of Additional 2019 Notes that may be issued hereunder. Each such Authentication Order shall specify the principal amount of 2019 Senior Secured Notes to be authenticated and the date on which such 2019 Senior Secured Notes are to be authenticated. The aggregate principal amount of 2019 Senior Secured Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders provided in respect of original issues of 2019 Senior Secured Notes except as provided in Section 2.10. For certainty, the Trustee shall not be obligated or liable to ensure that the Issuer is in compliance with the limitations in Section 6.6, and shall be entitled to rely on an Officers' Certificate from the Issuer certifying such compliance for any Additional 2019 Notes so issued.

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3.5 Date of Issue and Maturity

The 2019 Senior Secured Notes will be dated December 1, 2020 and will become due and payable, together with all accrued and unpaid interest thereon, on January 15, 2023 (the "Note Maturity Date").

3.6 Interest

- (a) The 2019 Senior Secured Notes will bear interest on the unpaid principal amount thereof at a fixed rate of ten percent (10%) per annum, beginning on the Issue Date, but excluding, the Note Maturity Date, payable on each Interest Payment Date. The first Interest Payment Date for the 2019 Senior Secured Notes will be December 31, 2020.
- (b) Interest will be payable in respect of each Interest Period on each Interest Payment Date in accordance with Section 2.11 and Section 2.14. Interest on the 2019 Senior Secured Notes will accrue from the Issue Date or, if interest has already been paid, from and including the last Interest Payment Date therefor to which interest has been paid or made available for payment. Interest will be computed based on a 360-day year of twelve 30-day months and shall be payable quarterly on March 31, June 30, September 30 and December 31.
- (c) Automatically upon the occurrence and during the continuance of an Event of Default, the interest rate accruing on the outstanding principal amount of the 2019 Senior Secured Notes shall be three (3)% more than the rate otherwise payable.

3.7 Prepayment; Redemption

- (a) The 2019 Senior Secured Notes may not be prepaid or redeemed by the Issuer in whole or in part, except as follows:
 - (i) The Issuer may at any time and from time to time upon 3 days' prior written notice redeem all or any portion of the 2019 Senior Secured Notes at a Redemption Price equal to par plus accrued interest plus a premium equal to (i) 10% of the aggregate principal amount of the 2019 Senior Secured Note being redeemed prior to the first anniversary of the Original Issue Date, and (ii) 5% of the aggregate principal amount of the 2019 Senior Secured Note being redeemed on or after the first anniversary of the Original Issue Date but prior to the second anniversary of the Original Issue Date. The Issuer (at its option) may redeem all or any portion of the 2019 Senior Secured Notes at par plus accrued interest (without any premium) on or after the second anniversary of the Original Issue Date.
 - (ii) Prior to the twelve (12) month anniversary of the Original Issue Date, the Issuer may redeem all or any portion of the 2019 Senior Secured Note with up to 33% of the net proceeds received by the Issuer or any of its Subsidiaries (including the Guarantors) from any equity offerings at a Redemption Price equal to par plus accrued interest plus a premium equal to (i) 1% of the aggregate principal amount of the 2019 Senior Secured Note being redeemed. Warrant exercises do not constitute equity offerings.
 - (iii) Following the twelve (12) month anniversary of the Original Issue Date, the Issuer shall repurchase the 2019 Senior Secured Notes using 33% of the net proceeds from any equity offerings by the Issuer and/or its Subsidiaries (including the Guarantors), at a purchase price equal to par plus accrued but unpaid interest (no premiums). Warrant exercises do not constitute equity offerings.
 - (iv) The Issuer shall offer to repurchase the 2019 Senior Secured Notes at par plus accrued interest with 100% of the net cash proceeds resulting from any (i) non-ordinary course sales or other dispositions of assets consummated by the Issuer or any Subsidiary, and/or (ii) as a result of casualty or condemnation (each of (i) and (ii), an "Asset Sale"), subject to certain limitations including the right of the Issuer to apply solely during the two (2) year period commencing on the Original Issue Date and terminating two (2) years thereafter (the "Reinvestment Period"), up to, in the aggregate, \$REDACT of the net cash proceeds received from one half of all Asset Sales during the Reinvestment Period to (X) restore, rebuild, repair, construct, improve, replace or otherwise acquire assets useful in the Issuer's or its Subsidiaries' business, in each case to the extent constituting a capital expenditure, and/or (Y) consummate Board of Director approved acquisitions (each of (x) and (y) a "Permitted Reinvestment"), provided that an offer to purchase pursuant to this sub-paragraph shall only be required to be made if resulting net cash proceeds from an Asset Sale together with all net cash proceeds received from all Asset Sales for the twelve (12) month period (or lesser period depending on the initial date of the Reinvestment Period) preceding such Asset Sale, resulted in aggregate net cash proceeds in excess of \$REDACT (in which event 100% of such net cash proceeds shall be required to be applicable); provided further, to the extent required by the documentation governing the Permitted Reinvestment, the Issuer may apply the net cash proceeds thereof ratably (based on the outstanding principal amounts thereof) to such offer to repurchase the 2019 Senior Secured Notes and any other Permitted Indebtedness requiring repayment. Notwithstanding the above (i) neither the Issuer nor any of its Subsidiaries shall be required to use any proceeds from sales (if any) of (a) securities of Cresco Labs, Inc., and/or (b) the securities of a company to be transferred to the Issuer pursuant to the agreement to acquire a majority interest of TGS Illinois Holdings, LLC, and (ii) none of such securities nor the proceeds from sales thereof shall constitute Collateral and shall not be subject to any liens relating to the 2019 Senior Secured Notes.

- (b) If the Issuer determines in good faith that any offer to repurchase the 2019 Senior Secured Notes, including any offer made in accordance with Section 6.8 of the Indenture, (i) in the case of any such offer to repurchase attributable to the Issuer or any Subsidiary would violate or conflict with any local law (e.g., financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming of cash intra group and the fiduciary and statutory duties of the directors of the relevant Subsidiaries), (ii) would require the Issuer or any Subsidiary to incur a material and adverse tax liability (including any withholding tax) if such amount were repatriated to the Issuer as a dividend or (iii) in the case of any such offer to repurchase attributable to any joint venture, would violate any organizational document of such joint venture (or any relevant shareholders' or similar agreement), in each case, if the amount subject to the relevant offer to repurchase were upstreamed or transferred to the Issuer as a distribution or dividend (any amount limited as set forth in clauses (i) through (iii) of this paragraph, a "**Restricted Amount**"), the amount of the relevant offer to repurchase shall be reduced by the Restricted Amount; provided, that (A) in the case of any Restricted Amount arising under the circumstances described in clause (i) or (ii) above, the Issuer shall use commercially reasonable efforts to take all actions required by Applicable Law to permit the repatriation of the relevant amounts to the Issuer and (B) if the circumstance giving rise to any Restricted Amount ceases to exist within 365 days following the end of the event giving rise to the relevant offer to repurchase, the relevant Subsidiary shall promptly repatriate or distribute the amount that no longer constitutes a Restricted Amount to the Issuer for application to such an offer to repurchase the Notes as required promptly following the date on which the relevant circumstance ceases to exist; it being understood and agreed that following the expiration of the 365-day period referenced above, the relevant Subsidiary may retain any Restricted Amount, and no such offer to repurchase shall be required in respect thereof.
- (c) All optional redemptions, prepayments and payments and all other payments resulting from required offers to repurchase or redeem with regard to the 2019 Senior Secured Notes, including any offer made in accordance with Section 6.8 of the Indenture, shall be paid on a pro-rata basis in respect of each holder of a Related Note based on the aggregate principal amount of the Related Notes plus accrued and unpaid interest thereon held by such Person as at the record date, divided by the aggregate principal amount of all Related Notes, plus accrued but unpaid interest thereon.
- (d) Each Holder of a 2019 Senior Secured Note shall have the right in its sole discretion to waive its rights to have the Issuer redeem or repurchase all or any portion of its 2019 Senior Secured Notes, except if such redemption or repurchase is part of a full or partial refinancing of the 2019 Senior Secured Notes.

- (e) Unless otherwise specifically provided in this Section 3.7, the terms of Article 5 shall apply to the redemption of any 2019 Senior Secured Notes and in the event of any inconsistency, the terms of this Section 3.7 shall prevail.

3.8 Payment Seniority

- (a) The 2019 Senior Secured Notes shall be: (a) subordinated in right of payment to any Senior Indebtedness; (b) pari passu in right of payment to the Original Senior Secured Notes and any Permitted Indebtedness not constituting Senior Indebtedness (including, without limitation, Secured Surviving Debt and Other Surviving Debt not constituting Senior Indebtedness) and: (c) senior to all other indebtedness of the Issuer.
- (b) If and to the extent that the Secured Surviving Debt transaction documents prohibit the Related Notes from being secured by pari passu liens on the Collateral securing the Secured Surviving Debt, the Related Notes (to the extent not prohibited by the Secured Surviving Debt transaction documents), will be secured by a senior subordinated lien on the Collateral so that upon repayment of such Secured Surviving Debt, the senior subordinated lien on the Collateral securing the Related Notes and guarantees shall become a senior secured lien on the Collateral (subject only to liens securing other Permitted Indebtedness).

3.9 Form and Denomination of the 2019 Senior Secured Notes

- (a) The 2019 Senior Secured Notes will be issued in minimum denominations of REDACT and in integral multiples of REDACT in excess thereof.
- (b) Subject to Section 4.2(b), the 2019 Senior Secured Notes will be issuable as Global Notes, substantially in the form set out in Appendix A hereto with such changes as may be reasonably required by the Depository and any other changes as may be approved or permitted by the Issuer, in each case which changes are not prejudicial to the Holders or Beneficial Holders of 2019 Senior Secured Notes, and with such approval in each case to be conclusively deemed to have been given by the officers of the Issuer executing the same in accordance with Article 2.
- (c) Notwithstanding any other provision of this Indenture, the 2019 Senior Secured Notes may be issued, authenticated, delivered and held in electronic, uncertificated form.

3.10 Currency of Payment

The principal of, and interest and premium (if any) on, the 2019 Senior Secured Notes will be payable in United States dollars.

3.11 Appointment

- (a) The Trustee will be the trustee for the 2019 Senior Secured Notes, subject to Article 11.

- (b) The Issuer initially appoints CDS to act as Depository with respect to the 2019 Senior Secured Notes (other than with respect to Definitive Notes issued to Original U.S. Holders that are U.S. Accredited Investors).
- (c) The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the 2019 Senior Secured Notes. The Issuer may change the Registrar, transfer agent, authentication agent or Paying Agent for the 2019 Senior Secured Notes at any time and from time to time without prior notice to the Holders of the 2019 Senior Secured Notes.

3.12 Inconsistency

In the case of any conflict or inconsistency between this Article 3 and any other provision of this Indenture, Article 3 shall, as to the 2019 Senior Secured Notes, govern and prevail.

3.13 Reference to Principal, Premium, Interest, etc.

Whenever this Indenture refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note, such reference shall include any indemnification payments as described hereunder, if applicable.

ARTICLE 4 REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

4.1 Register of Certificated Notes

- (a) Subject to the terms of any Supplemental Indenture, with respect to each series of Notes issuable in whole or in part as registered Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Notes of such series or as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the Holders and particulars of the Notes held by them respectively and of all transfers of Notes. Such registration shall be noted on the relevant Notes by the Trustee or other Registrar unless a new Note shall be issued upon such transfer.
- (b) No transfer of a registered Note shall be valid unless made on such register referred to in Section 4.1(a) by the Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee or other Registrar upon surrender of the Notes together with a duly executed form of transfer acceptable to the Trustee or other Registrar and upon compliance with such other reasonable requirements as the Trustee or other Registrar may prescribe, and unless the name of the transferee shall have been noted on the Note by the Trustee or other Registrar.

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4.2 Global Notes

- (a) With respect to Notes issuable as or represented by, in whole or in part, one or more Global Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the name and address of the Holder of each such Global Note (being the Depository, or its nominee, for such Global Note) and particulars of the Global Note held by it, and of all transfers thereof. If any Notes are at any time not Global Notes, the provisions of Section 4.1 shall govern with respect to registrations and transfers of such Notes.
- (b) Notwithstanding any other provision of this Indenture, a Global Note may not be transferred by the Holder thereof and, accordingly, subject to Section 4.6, no Definitive Notes of any series shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in any Supplemental Indenture, a resolution of the Trustee, a Board Resolution or an Officers' Certificate:
 - (i) Definitive Notes may be issued to Beneficial Holders at any time after:
 - (A) the Issuer has determined that CDS (1) is unwilling or unable to continue as Depository for Global Notes, or (2) ceases to be eligible to be a Depository, and, in each case the Issuer is unable to locate a qualified successor to its reasonable satisfaction;
 - (B) the Issuer has determined, in its sole discretion, or is required by law, to terminate the book-entry only registration system in respect of such Global Notes and has communicated such determination or requirement to the Trustee in writing, or the book-entry system ceases to exist;
 - (C) the Note is to be authenticated to or for the account or benefit of a U.S. Holder (other than an Original U.S. Holder that is a Qualified Institutional Buyer), in which case, the Definitive Note shall contain the U.S. Legend set forth in Section 2.3(h), if applicable; or
 - (D) the Trustee has determined that an Event of Default has occurred and is continuing with respect to Notes issued as Global Notes, provided that Beneficial Holders representing, in the aggregate, more than 50% of the aggregate outstanding principal amount of the Notes of the affected series advise the Depository in writing, through the Participants, that the continuation of the book-entry only registration system for the Notes of such series is no longer in their best interests; and

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- (ii) Global Notes may be transferred (A) if such transfer is required by Applicable Law, as determined by the Issuer and Counsel, or (B) by a Depository to a nominee of such Depository, or by a nominee of a Depository to such Depository, or to another nominee of such Depository, or by a Depository or its nominee to a successor Depository or its nominee.
- (c) Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 4.2(b)(i) or upon the transfer of a Global Note to a Person other than a Depository or a nominee thereof in accordance with Section 4.2(b)(i)(A), the Trustee shall notify all Beneficial Holders, through the Depository, of the availability of Definitive Notes for such series. Upon surrender by the Depository of the Global Notes in respect of any series and receipt of new registration instructions from the Depository, the Trustee shall deliver the Definitive Notes of such series to the Beneficial Holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Notes will be governed by Section 4.1 and the remaining provisions of this Article 4.
- (d) It is expressly acknowledged that a transfer of beneficial ownership in a Note of any series issuable in the form of or represented by a Global Note will be effected only (a) with respect to the interests of participants in the Depository ("Participants"), through records maintained by the Depository or its nominee for the Global Note, and (b) with respect to interests of Persons other than Participants, through records maintained by Participants. Beneficial Holders who are not Participants but who desire to purchase, sell or otherwise transfer ownership of or other interest in Notes represented by a Global Note may do so only through a Participant.

4.3 Transferee Entitled to Registration

The transferee of a Note shall be entitled, after the appropriate form of transfer is deposited with the Trustee or other Registrar and upon compliance with all other conditions for such transfer required by this Indenture or by law, to be entered on the register as the owner of such Note free from all equities or rights of set-off or counterclaim between the Issuer and the transferor or any previous Holder of such Note, save in respect of equities of which the Issuer is required to take notice by law (including any statute or order of a court of competent jurisdiction).

4.4 No Notice of Trusts

None of the Issuer, the Trustee and any Registrar or Paying Agent will be bound to take notice of or see to the performance or observance of any duty owed to a third Person, whether under a trust, express, implied, resulting or constructive, in respect of any Note by the Holder or any Person whom the Issuer or the Trustee treats, as permitted or required by law, as the owner or the Holder of such Note, and may transfer the same on the direction of the Person so treated as the owner or Holder of the Note, whether named as trustee or otherwise, as though that Person were the Beneficial Holder thereof.

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4.5 Registers Open for Inspection

The registers referred to in Sections 4.1 and 4.2 shall, subject to Applicable Law, at all reasonable times be open for inspection by the Issuer, the Trustee or any Holder. Every Registrar, including the Trustee, shall from time to time when requested so to do by the Issuer or by the Trustee, in writing, furnish the Issuer or the Trustee, as the case may be, with a list of names and addresses of Holders entered on the registers kept by them and showing the principal amount and serial numbers of the Notes held by each such Holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

4.6 Transfers and Exchanges of Notes

- (a) *Transfer and Exchange of Global Notes.* A Global Note may be transferred in whole and not in part only pursuant to Section 4.2(b)(ii). A beneficial interest in a Global Note may not be exchanged for a Definitive Note other than pursuant to Section 4.2(b)(i). A Global Note may not be exchanged for another Note other than as provided in this Section 4.6(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 4.6(b) or 4.6(c), as applicable.
- (b) *Transfer and Exchange of Beneficial Interests in the Global Notes.* The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository, in accordance with the provisions of this Indenture, Applicable Laws and the Applicable Procedures. In connection with a transfer and exchange of beneficial interest in Global Notes, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or a Beneficial Holder, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged, and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase, or (B) (1) a written order from a Participant or a Beneficial Holder, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred, and (2) instructions given by the Depository to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer referred to in (B) (1) above. Upon satisfaction of all of the requirements for transfer of beneficial interests in Global Notes contained in this Indenture and the Notes, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 4.6(e).

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- (c) *Transfer or Exchange of Beneficial Interests in the Global Notes for Definitive Notes.* A holder of a beneficial interest in a Global Note may exchange such beneficial interest for a Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note only upon the occurrence of any of the preceding events in Section 4.6(b) and satisfaction of the conditions set forth in Section 4.6(b). Upon the occurrence of any such preceding event and receipt by the Registrar of all documentation required by the Issuer or Registrar, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 4.6(e), and the Issuer shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 4.6(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depository and the Participant or Beneficial Holder. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. The Holder thereof will execute all documents and related items necessary or required by the Issuer to effectuate the same.
- (d) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 4.6(d) and Applicable Securities Legislation, the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing.
- (e) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 4.9 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

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- (f) *U.S. Restrictions on Transfer and Exchange.* If a Definitive Note tendered for transfer bears the U.S. Legend set forth in Section 2.3(h), the Trustee shall not register such transfer unless the transferor has provided the Trustee with the Definitive Note and: (A) the transfer is made to the Issuer; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Trustee and the Issuer a declaration substantially in the form set forth in Appendix C to this Indenture, or in such other form as the Issuer may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Issuer) as the Issuer may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144A thereunder, if available, or (ii) Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or “blue sky” laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws; or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 4.6(f)(C)(ii) or 4.6(f)(D) furnished to the Trustee and the Issuer an opinion of counsel, of recognized standing, or other evidence in form and substance reasonably satisfactory to the Issuer to such effect. In relation to a transfer under (C)(ii) or (D) above, unless the Issuer and the Trustee receive an opinion of counsel, of recognized standing, or other evidence reasonably satisfactory to the Issuer in form and substance, to the effect that the U.S. Legend set forth in subsection 2.3(h) is no longer required on the Definitive Note representing the transferred Notes, the Definitive Note received by the transferee will continue to bear the U.S. Legend set forth in Section 2.3(h). Notes exchanged for Definitive Notes that bear the U.S. Legend set forth in Section 2.3(h) shall bear the same U.S. Legend.
- (g) *General Provisions Relating to Transfers and Exchanges.*
- (i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Issuer’s Authentication Order in accordance with Section 2.4 or at the Registrar’s request.
 - (ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.9).
 - (iii) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

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- (iv) Neither the Issuer nor the Trustee nor any Registrar shall be required to:
 - (A) issue, register the transfer of or exchange any Notes during a period beginning at the opening of business 15 days before the mailing of a Redemption Notice under Section 5.1 hereof and ending at the close of business on the day of selection, or
 - (B) register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or unless upon due presentation thereof for redemption such Notes are not redeemed, or
 - (C) register the transfer of or exchange a Note between a Record Date and the next succeeding Interest Payment Date, or
 - (D) to register the transfer of or to exchange a Note tendered and not withdrawn in connection with a Change of Control Offer or an Asset Sale offer.
- (v) Subject to any restriction provided in this Indenture, the Issuer with the approval of the Trustee may at any time close any register for the Notes of any series (other than those kept at the principal office of the Trustee in Vancouver, British Columbia) and transfer the registration of any Notes registered thereon to another register (which may be an existing register) and thereafter such Notes shall be deemed to be registered on such other register. Notice of such transfer shall be given to the Holders of such Notes.
- (vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Registrar or Paying Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Notes and for all other purposes, and none of the Trustee, any Registrar or Paying Agent or the Issuer shall be affected by notice to the contrary.
- (vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.4.
- (viii) Upon surrender for registration of transfer of any Note at the office or agency of the Issuer, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

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- (ix) At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the replacement Global Notes and Definitive Notes which the Holder making the exchange is entitled to in accordance with the provisions of Section 2.4 hereof.
- (x) All certifications, certificates and Opinions of Counsel required to be submitted pursuant to this Section 4.6 to effect a registration of transfer or exchange may be submitted by facsimile.

4.7 Charges for Registration, Transfer and Exchange

For each Note exchanged, registered, transferred or discharged from registration, the Trustee or other Registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Note issued (such amounts to be agreed upon from time to time by the Trustee and the Issuer),

and payment of such charges and reimbursement of the Trustee or other Registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Holder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of a Note of any series applied for within a period of two months from the date of the first delivery thereof;
- (b) for any exchange of any interim or temporary Note of any series or interim certificate that has been issued under Section 2.9 for a Definitive Note of any series;
- (c) for any exchange of a Global Note of any series as contemplated in Section 4.2; or
- (d) for any exchange of a Note of any series resulting from a partial redemption under Section 5.3.

4.8 Ownership of Notes

- (a) The Holder for the time being of any Note shall be entitled to the principal, premium, if any, and/or interest evidenced by such Note, free from all equities or rights of set-off or counterclaim between the Issuer and the original or any intermediate Holder thereof (except in respect of equities of which the Issuer is required to take notice by law) and all Persons may act accordingly and the receipt of any such Holder for any such principal, premium, if any, or interest shall be a valid discharge to the Trustee, any Registrar and to the Issuer for the same and none shall be bound to inquire into the title of any such Holder.

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- (b) Where Notes are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all or any of such Holders, failing written instructions from them to the contrary, and the receipt of any one of such Holders therefor shall be a valid discharge, to the Trustee, any Registrar and to the Issuer.
- (c) In the case of the death of one or more joint Holders, the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such Holders and to the estate of the deceased and the receipt by such survivor or survivors and the estate of the deceased thereof shall be a valid discharge by the Trustee, any Registrar and the Issuer.
- (d) Unless otherwise required by law, the Person in whose name any Note is registered shall for all purposes of this Indenture (except for references in this Indenture to a "Beneficial Holder") be and be deemed to be the owner thereof and payment of or on account of the principal of, premium, if any, and interest on such Note shall be made only to or upon the order in writing of such Holder.
- (e) Notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders.

4.9 Cancellation and Destruction

All matured Notes of any series shall forthwith after payment of all Obligations thereunder be delivered to the Trustee or to a Person appointed by it or by the Issuer with the approval of the Trustee and cancelled by the Trustee. All Notes of any series which are cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Issuer, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Notes so destroyed.

ARTICLE 5 REDEMPTION AND PURCHASE OF NOTES

5.1 Redemption of Notes

Subject to the provisions of the Supplemental Indenture relating to the issue of a particular series of Notes or, in the case of the 2019 Senior Secured Notes, Article 3, Notes of any series may be redeemed before the Stated Maturity thereof, in whole at any time or in part from time to time, at the option of the Issuer and in accordance with and subject to the provisions set out in this Indenture and any applicable Supplemental Indenture, including those relating to the payment of any required redemption price ("**Redemption Price**").

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5.2 Places of Payment

The Redemption Price will be payable upon presentation and surrender of the Notes called for redemption at any of the places where the principal of such Notes is expressed to be payable and at any other places specified in the Redemption Notice.

5.3 Partial Redemption

- (a) If less than all of the Notes of any series are to be redeemed at any time, the Trustee will select Notes of such series for redemption as follows:
 - (i) if the Notes are listed on any national securities exchange, including the Canadian Securities Exchange, in compliance with the requirements of the principal national securities exchange; or
 - (ii) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee will deem fair and appropriate; or
 - (iii) if the Notes are included in global form, based on a method required by CDS or a method that most nearly approximates a pro rata selection, as the Trustee deems appropriate.

Subject to the foregoing and the Supplemental Indenture relating to any series of Notes (or, in the case of the 2019 Senior Secured Notes, Article 3), Notes or portions of Notes the Trustee selects for redemption shall be in minimum amounts of REDACT or integral multiples of REDACT.

- (b) If Notes of any series are to be redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the applicable Redemption Date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes of such series for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 5 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

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5.4 Notice of Redemption

Unless otherwise provided in a Supplemental Indenture or, in the case of the 2019 Senior Secured Notes, Article 3, a notice of redemption (the "**Redemption Notice**") of any series of Notes shall be given to the Holders of the Notes so to be redeemed not less than 3 days prior to the date fixed for redemption (the "**Redemption Date**") in the manner provided in Section 14.2. Every such Redemption Notice shall specify the aggregate principal amount of Notes called for redemption, the Redemption Date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Notes called for redemption shall cease to be payable from and after the Redemption Date. Redemption Notices may, at the Issuer's discretion, be subject to one or more conditions precedent, as described under Section 5.5. In addition, unless all the outstanding Notes of a series are to be redeemed, the Redemption Notice shall specify:

- (a) the distinguishing letters and numbers of the Notes which are to be redeemed (as are registered in the name of such Holder);
- (b) if such Notes are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Notes so selected;
- (c) in the case of Global Notes, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Issuer; and
- (d) in all cases, the principal amounts of such Notes or, if any such Note is to be redeemed in part only, the principal amount of such part.

Notwithstanding Section 14.2, in the event that all Notes of a series to be redeemed are Global Notes, publication of the Redemption Notice shall not be required.

If Notes of any series are to be redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the applicable Redemption Date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes of such series for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 5 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

5.5 Qualified Redemption Notice

In connection with any optional redemption of Notes, any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, if such redemption notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's sole discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the redemption date so delayed, and that such redemption provisions may be adjusted to comply with any depository requirements.

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5.6 Notes Due on Redemption Dates

Upon a Redemption Notice having been given as provided in Section 5.4, all the Notes so called for redemption or the principal amount to be redeemed of the Notes called for redemption, as the case may be, shall thereupon be and become due and payable at the Redemption Price, together with accrued interest to but excluding the Redemption Date, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the Stated Maturity specified in such Notes, anything therein or herein to the contrary notwithstanding. If any Redemption Date is on or after a Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such Record Date, and no additional interest will be payable to Holders whose Notes shall be subject to redemption by the Issuer. From and after such Redemption Date, if the monies necessary to redeem such Notes shall have been deposited as provided in Section 5.7 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such Redemption Notices shall have been lodged with it, interest upon the Notes shall cease to accrue. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

5.7 Deposit of Redemption Monies

- (a) Except as may otherwise be provided in any Supplemental Indenture or, in the case of the 2019 Senior Secured Notes, Article 3, upon Notes being called for redemption, the Issuer shall deposit with the Trustee, for onward payment to the Depository, on or before 11:00 a.m. (Toronto time) on the Business Day prior to the Redemption Date specified in the Redemption Notice, such sums of money as may be sufficient to pay the Redemption Price of the Notes so called for redemption, plus accrued and unpaid interest thereon up to but excluding the Redemption Date, less any Taxes required by law to be deducted or withheld therefrom. The Issuer shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid, to the Depository on behalf of the Holders of such Notes so called for redemption, upon surrender of such Notes, the principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption.

- (b) Payment of funds to the Trustee upon redemption of Notes shall be made by electronic transfer or certified cheque or pursuant to such other arrangements for the provision of funds as may be agreed between the Issuer and the Trustee in order to effect such payment hereunder. Notwithstanding the foregoing, (i) all payments in excess of REDACT (or such other amount as determined from time to time by the Canadian Payments Association) shall be made by the use of the LVTS; and (ii) in the event that payment must be made to the Depository, the Issuer shall remit payment to the Trustee by LVTS. The Trustee shall have no obligation to disburse funds pursuant to this Section 5.7 unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable Redemption Date. The Trustee shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

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5.8 Failure to Surrender Notes Called for Redemption

In case the Holder of any Note of any series so called for redemption shall fail on or before the Redemption Date so to surrender such Holder's Note, or shall not within such time specified on the Redemption Notice accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Trustee may require, such redemption monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum so set aside and, to that extent, such Note shall thereafter not be considered as outstanding hereunder and the Holder thereof shall have no other right except to receive payment of the Redemption Price of such Note, plus any accrued but unpaid interest thereon to but excluding the Redemption Date, less any Taxes required by law to be deducted or withheld, out of the monies so paid and deposited, upon surrender and delivery up of such Holder's relevant Note. In the event that any money required to be deposited hereunder with the Trustee or any Paying Agent on account of principal, premium, if any, or interest, if any, on Notes issued hereunder shall remain so deposited for a period of six years from the Redemption Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee or such Paying Agent to the Issuer on its demand, and thereupon the Trustee shall not be responsible to Holders of such Notes for any amounts owing to them and subject to Applicable Law, thereafter the Holders of such Notes in respect of which such money was so repaid to the Issuer shall have no rights in respect thereof except to obtain payment of the money due from the Issuer, subject to any limitation period provided by the laws of British Columbia.

5.9 Cancellation of Notes Redeemed

Subject to the provisions of Sections 5.4 and 5.10 as to Notes redeemed or purchased in part, all Notes redeemed and paid under this Article 5 shall forthwith be delivered to the Trustee and cancelled and no Notes shall be issued in substitution for those redeemed.

5.10 Purchase of Notes for Cancellation

- (a) Subject to the provisions of any Supplemental Indenture relating to a particular series of Notes or, in the case of the 2019 Senior Secured Notes, Article 3, the Issuer may, at any time and from time to time, purchase Notes of any series in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract, at any price; provided such acquisition does not otherwise violate the terms of this Indenture. All Notes so purchased may, at the option of the Issuer, be delivered to the Trustee and cancelled and no Notes shall be issued in substitution therefor.

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- (b) If, upon an invitation for tenders, more Notes of the relevant series are tendered at the same lowest price than the Issuer is prepared to accept, the Notes to be purchased by the Issuer shall be selected by the Trustee on a pro rata basis or in such other manner as the Issuer directs in writing and as consented to by the exchange, if any, on which Notes of such series are then listed which the Trustee considers appropriate, from the Notes of such series tendered by each tendering Holder thereof who tendered at such lowest price. For this purpose the Trustee may make, and from time to time amend, regulations with respect to the manner in which Notes of any series may be so selected, and regulations so made shall be valid and binding upon all Holders thereof, notwithstanding the fact that as a result thereof one or more of such Notes become subject to purchase in part only. The Holder of a Note of any series of which a part only is purchased, upon surrender of such Note for payment, shall be entitled to receive, without expense to such Holder, one or more new Notes of such series for the unpurchased part so surrendered, and the Trustee shall authenticate and deliver such new Note or Notes upon receipt of the Note so surrendered or, with respect to a Global Note, the Depository shall make book-entry notations with respect to the principal amount thereof so purchased.

ARTICLE 6 COVENANTS OF THE ISSUER

As long as any Related Notes remain outstanding, the Issuer hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Holders as follows (unless and for so long as the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding Related Notes, in which case the following provisions of this Article 6 shall not apply):

6.1 Payment of Principal and Interest

The Issuer shall punctually, according to the terms hereof, pay or cause to be paid all amounts due under this Indenture.

6.2 Keeping of Books

The Issuer shall keep or cause to be kept, and shall cause each of its Subsidiaries (other than non-operating or immaterial Subsidiaries) to keep or cause to be kept proper books of record and account, in which full and correct entries (in all material respects) shall be made of all financial transactions and the property and business of the Issuer and its Subsidiaries in accordance with IFRS.

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6.3 Provision of Reports and Financial Statements

The Issuer will maintain and will cause each of its Subsidiaries to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with IFRS (it being understood that monthly financial statements are not required to have footnote disclosures and are

subject to normal year-end adjustments). The Issuer will provide to the Trustee, and the Trustee shall deliver to the Holders, the following upon written request: (a) as soon as available and in any event within sixty (60) days after the end of each fiscal quarter of the Issuer, the unaudited consolidated and consolidating balance sheet of the Issuer and each of its Subsidiaries as at the end of such fiscal quarter (the “**Quarterly Statements**”); and (b) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year, the consolidated balance sheet of the Issuer and its Subsidiaries, as at the end of such year, audited by certified public accountants selected by the Issuer (together with the Quarterly Statements, the “**Financial Reports**”). Notwithstanding the foregoing, at any time that the Issuer remains a “reporting issuer” (or its equivalent) in any province or territory of Canada, all Financial Reports will be deemed to have been provided to the Trustee and the Holders once filed on the System for Electronic Document Analysis and Retrieval (SEDAR) or any successor system thereto.

6.4 Compliance with Laws and Contractual Obligations

The Issuer will (A) comply with and cause each of its Subsidiaries to comply in all material respects with (i) the requirements of all Applicable Laws, rules, regulations and orders of any Governmental Authority (including, without limitation, all laws, rules, regulations and orders relating to taxes, employer and employee contributions, securities, ERISA, environmental protection matters and employee health and safety) as now in effect and which may be imposed in the future in all jurisdictions in which such Person is now doing business or may hereafter be doing business, and (ii) the obligations, covenants and conditions contained in all of the material contractual obligations of each such Person, as applicable, the noncompliance with which could not be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect on the Issuer, and (B) maintain or obtain and cause each of its Subsidiaries to maintain or obtain, all applicable licenses, qualifications and permits now held or hereafter required to be held by such Person, for which the loss, suspension, revocation or failure to obtain or renew, could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Issuer.

6.5 Restricted Payments

The Issuer will not, and will not cause or permit any of its Subsidiaries, to make any cash dividend or distributions in respect of the equity interests of the Issuer or any of its Subsidiaries, except that (i) a Subsidiary of the Issuer may declare and pay dividends on its outstanding equity interests to the Issuer or to a Subsidiary; and (ii) a Subsidiary may declare and pay any cash dividends or distribution it is obligated to pay pursuant to any contractual obligation of such Subsidiary existing prior to the date hereof. Notwithstanding anything to the contrary provided in this Section 6.5 or elsewhere, nothing contained herein shall prevent the Issuer from effectuating a distribution of the capital stock of Sound Wellness Holdings, Inc. to the stockholders of the Issuer.

6.6 Incurrence of Indebtedness

The Issuer will not and will not permit any of its Subsidiaries directly or indirectly to create, incur, assume, or otherwise become or remain directly or indirectly liable with respect to any indebtedness except Permitted Indebtedness.

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6.7 Sale of Assets

- (a) The Issuer will not and will not permit any of its Subsidiaries to sell, assign, license, lease, convey, exchange, transfer or otherwise dispose of its property (each, a “**Disposition**”) to any other Person, except:
 - (i) Dispositions of inventory and other property in the ordinary course of business;
 - (ii) Dispositions of obsolete or worn-out assets, no longer used or usable in its business;
 - (iii) Disposition of the Issuer’s and its Subsidiaries equity securities;
 - (iv) Disposition of real property in a sale-leaseback transaction; and
 - (v) Dispositions of property in connection with Permitted Indebtedness, including, without limitations, dispositions of property subject to a lien or other encumbrance senior to the lien or other encumbrance granted to the holders of the Related Notes.

6.8 Repurchase at the Option of Holders – Change of Control

- (a) If a Change of Control transaction pursuant to which the Issuer receives all cash or liquid securities occurs prior to the Maturity, the Issuer will be required to make an offer to each Holder of Notes to repurchase all or any part (equal to REDACT or an integral multiple of REDACT of that Holder’s Notes pursuant to the offer described below (the “**Change of Control Offer**”). In the Change of Control Offer, the Issuer will offer a payment (the “**Change of Control Payment**”) in cash equal to 106% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any (the “**Change of Control Payment Date**” which date will be no earlier than the date of such Change of Control).
- (b) No later than 45 days following any Change of Control, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control, offer to repurchase Notes on the Change of Control Payment Date specified in such notice, which date will be no earlier than 30 days and no later than 90 days from the date such notice is mailed and describe the procedures, as required by this Indenture, that Holders must follow in order to tender Notes (or portions thereof) for payment and withdraw an election to tender Notes (or portion thereof) for payment. Notwithstanding anything to the contrary herein, a Change of Control Offer by the Issuer, or by any third party making a Change of Control Offer in lieu of the Issuer as described below, may be made in advance of a Change of Control, conditional upon such Change of Control if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

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- (c) The Issuer will comply with the requirements of any Applicable Securities Legislation to the extent such requirements are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any Applicable Securities Legislation conflict with the Change of Control provisions of this Indenture, or compliance with the Change of Control provisions of this Indenture would constitute a violation of any such laws or regulations, the Issuer will comply with the Applicable Securities Legislation and will not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of such compliance.
- (d) On or before the Change of Control Payment Date, the Issuer will, to the extent lawful:
 - (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

- (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.
- (e) On the Change of Control Payment Date, the Paying Agent will promptly wire transfer to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in a principal amount of REDACT or an integral multiple of REDACT in excess thereof.
- (f) The Issuer will advise the Trustee and the Holders of the Notes of the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.
- (g) If the Change of Control Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no other interest will be payable to Holders who tender pursuant to the Change of Control Offer.
- (h) The provisions of Section 6.8 that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of this Indenture are applicable.

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- (i) Notwithstanding anything to the contrary in this Section 6.8, the Issuer will not be required to make a Change of Control Offer upon a Change of Control if:
 - (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer; or
 - (ii) a Redemption Notice has been given pursuant to Section 5.4, unless and until there is a Default in payment of the applicable Redemption Price.

6.9 Maintenance of Properties

The Issuer will maintain and cause its Subsidiaries to maintain in good repair, working order and condition, all material properties used in its businesses and will make or cause to be made all appropriate repairs, renewals and replacements thereof.

6.10 Organizational Existence

The Issuer will, and will cause each of its Subsidiaries (other than non-operating or immaterial Subsidiaries) to at all times preserve and keep in full force and effect its organizational existence and all rights and franchises material to such Person's business and leases, privileges, franchises, qualifications and rights that are necessary in the ordinary conduct of its business.

6.11 Original Senior Secured Notes

The Issuer shall provide to the Trustee: (1) upon request, a register of holders of Original Senior Secured Notes containing the name and address of the each holder of an Original Senior Secured Note and showing the principal amount and series numbers of the Original Senior Secured Notes held by each such holder; and (2) as soon as reasonably practicable following receipt, any and all documents, notices, and other correspondence received by the Issuer from any holder of an Original Senior Secured Note that the Issuer reasonably determines to be relevant to the performance or observance of any duties or obligations of the Trustee under this Indenture. For the avoidance of doubt, any written notice provided to the Issuer in relation to a Default under the Original Senior Secured Notes is relevant to the performance of the obligations of the Trustee under this Indenture.

ARTICLE 7 DEFAULT AND ENFORCEMENT

7.1 Events of Default

Unless otherwise provided in a Supplemental Indenture relating to a particular series of Notes, an "Event of Default" means any one of the following events:

- (a) Default in the due and punctual payment of the principal of, or any other amount owing in respect of (including interest), a Note when and as the same shall become due and payable; provided that the Issuer shall be provided with a twenty (20) Business Day cure period for nonpayment of interest, fees or amounts other than principal on the Note, after there has been given to the Issuer by the Trustee a written notice specifying such Default and requiring it to be remedied;

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- (b) Default in the performance or observance of any covenant or agreement of the Issuer in this Indenture (other than a covenant or agreement a Default in the performance of which is specifically provided for elsewhere in this Section 7.1), and the continuance of such default for a period of thirty (30) days after there has been given to the Issuer by the Trustee a written notice specifying such Default and requiring it to be remedied, provided that, if the Issuer uses commercially reasonable efforts to cure such Default within such thirty (30) day period but cannot cure said Default during such thirty (30) day period, the Issuer shall have such time as is necessary to cure such default provided the Issuer maintains commercially reasonable efforts to cure such Default beyond the initial thirty (30) day cure period;
- (c) any representation or warranty made by the Issuer herein is materially incorrect in any respect on the date such representation or warranty was made;
- (d) an event of default by the Issuer under any material debt financing agreement (which, for the avoidance of doubt, shall include the Related Notes and the Guaranty and Collateral Security Agreement, and shall exclude any intercompany debt including, without limitation, any Intercompany Notes); provided that any Issuer default under any such agreement that is related to the Issuer's reasonable opinion that the counterparty to such agreement has materially breached its obligations thereunder shall not be considered a default hereunder;

- (e) the entry of a decree or order by a court having jurisdiction adjudging the Issuer as bankrupt or insolvent; or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer under the United States Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 calendar days;
- (f) the institution by the Issuer of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Federal Bankruptcy Code or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors;
- (g) the Issuer proposes in writing or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any group or class thereof or files a petition for suspension of payments or other relief of debtors or a moratorium or statutory management is agreed or declared in respect of or affecting all or any material part of the indebtedness of the Issuer; or

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- (h) it becomes unlawful for the Issuer to perform or comply with its obligations under this Indenture or the Related Notes.

For the purposes of this Article 7, where the Event of Default refers to an Event of Default with respect to a particular series of Notes as described in this Section 7.1, then this Article 7 shall apply *mutatis mutandis* to the Notes of such series and references in this Article 7 to the “Notes” shall be deemed to be references to Notes of such particular series, as applicable.

7.2 Declaration of Event of Default; Exercise of Remedies

- (a) In order to declare an Event of Default under the Related Notes, the holders of more than 50% of the aggregate outstanding principal amount of all Related Notes (collectively, the “**Notes Majority**”) must, or the Trustee at the request of such Notes Majority must, provide a properly executed written notice to the Issuer (a “**Default Notice**”), which shall specify: (i) that an Event of Default is being declared; (ii) the particular Event of Default hereunder being declared; and (iii) the actions of the Issuer underlying the Event of Default. If an Event of Default has been declared pursuant to a properly delivered Default Notice, then and in every such case the Notes Majority or the Trustee on behalf of the Notes Majority may by delivery of a writing: (a) declare the Related Notes to be due and payable immediately, and upon any such declaration, the Issuer shall pay to the holders of all Related Notes the outstanding balance of principal and accrued interest under each applicable holders’ Related Notes, and (b) direct the Collateral Agent to act on behalf of the holders of all Related Notes in exercising and enforcing all rights and remedies available to all of such holders of Related Notes, and including, without limitation, foreclosure of any judgment lien on any assets of the Issuer.
- (b) No course of dealing between the Issuer and any Holder or the Trustee or any delay in exercising any rights hereunder shall operate as a waiver by any Holder or the Trustee. No failure or delay by a Holder or Trustee in exercising any right, power or privilege under this Indenture or a Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

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7.3 Trustee May File Proofs of Claim

- (a) In case of any pending receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer and its debts or any other obligor upon the Notes (including the Guarantors, if any), and their debts or the property of the Issuer or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal (and premium, if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:
 - (i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding; and
 - (ii) to collect and receive any moneys or other securities or property payable or deliverable upon the conversion or exchange of such securities or upon any such claims and to distribute the same,and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder.
- (b) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

7.4 Trustee May Enforce Claims Without Possession of Notes

All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment on behalf of the Holders shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the rateable benefit of the Holders of the Notes in respect of which such judgment has been recovered.

7.5 Application of Monies by Trustee

- (a) Except as herein otherwise expressly provided, any money collected by the Trustee of behalf of the Holders pursuant to this Article 7 shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:
- (i) first, in payment or in reimbursement to the Trustee of its reasonable compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;
 - (ii) second, but subject as hereinafter in this Section 7.5 provided, in payment, rateably and proportionately to the Holders, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Notes which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by a resolution of Holders constituting more than 50% of the outstanding principal amount of the Notes and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and
 - (iii) third, in payment of the surplus, if any, of such monies to the Issuer or its assigns and/or the Guarantors, as the case may be;
- provided*, however, that no payment shall be made pursuant to Section 7.5(a)(ii) above in respect of the principal, premium or interest on any Notes held, directly or indirectly, by or for the benefit of the Issuer or any Subsidiary of the Issuer (other than any Notes pledged for value and in good faith to a Person other than the Issuer or any Subsidiary of the Issuer but only to the extent of such Person's interest therein), except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Notes which are not so held.
- (b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in Section 7.5(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Notes of each applicable series, but it may retain the money so received by it and invest or deposit the same in trust as provided in Section 11.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment or distribution hereunder.

7.6 No Suits by Holders

Except to enforce payment of the principal of, and premium (if any) or interest on any Note held or beneficially owned by the Holder (after giving effect to any applicable grace period specified therefor in Section 7.1), no Holder shall have any right to institute any action, suit or proceeding at law or in equity with respect to this Indenture or for the appointment of a liquidator, trustee or receiver or for a receiving order under any applicable bankruptcy laws or to have the Issuer or any Guarantor wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless:

- (a) There is a continuing Event of Default in accordance with the terms of this Indenture;
- (b) the Holders or Holders of at least a majority in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (c) the Holder or Holders offer the Trustee indemnity and funding satisfactory to the Trustee against any costs, liability or expense;
- (d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity and funding; and
- (e) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and rateable benefit of all the Holders.

7.7 Unconditional Right of Holders to Receive Principal, Premium and Interest

Notwithstanding any other provision in this Indenture, a Holder shall have the right, which is absolute and unconditional, to receive payment, as provided herein of the principal of (and premium, if any) and interest on the Notes held by such Holder on the applicable Maturity date and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

7.8 Restoration of Rights and Remedies

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Guarantors (if any), the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

7.9 Control by Holders

Subject to Section 11.3, the Holders of more than 50% of the principal amount of the outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that:

- (a) such direction shall not be in conflict with any rule of law or with this Indenture;
- (b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction;
- (c) nothing herein shall require the Trustee to take any action under this Indenture or any direction from Holders which might in its reasonable judgment involve any expense or any financial or other liability unless the Trustee shall be furnished with indemnification acceptable to it, acting reasonably, including the advance of funds sufficient in the judgment of the Trustee to satisfy such liability, costs and expenses; and
- (d) the Trustee shall have the right to not take any action which might involve it in personal liability or be unjustly prejudicial to the Holders not consenting. For certainty, no Holder shall have any right of action whatsoever against the Trustee as a result of the Trustee acting or refraining from acting under the terms of this Indenture in accordance with the instructions from the Holders.

7.10 Notice of Default and Event of Default

If the Trustee provides the Issuer with written notice of a Default or an Event of Default or receives written notice of a Default or an Event of Default, the Trustee shall, within 30 days after it issues or receives written notice of the occurrence of such Default or Event of Default, give notice of such Default or Event of Default to all the Holders (in the manner provided in Section 14.2) and all the holders of the Original Senior Secured Notes (using the contact particulars provided pursuant to Section 6.11). In cases where the Trustee provides the Issuer with, or receives, written notice of a Default, the Trustee shall inquire as to whether the Notes Majority desires to declare an Event of Default should such Default not be cured in accordance with the terms of the Related Notes.

7.11 Waiver of Stay or Extension Laws

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

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7.12 Undertaking for Costs

All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

7.13 Judgment Against the Issuer

The Issuer covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Holders, judgment may be rendered against it in favour of the Holders or in favour of the Trustee, as trustee for the Holders, for any amount which may remain due in respect of the Notes of any series and premium (if any) and the interest thereon and any other monies owing hereunder.

7.14 Immunity of Officers and Others

The Holders, the Beneficial Holders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director, employee, consultant, contractor, incorporator, member, manager, partner or holder of Capital Stock of the Issuer or of any Guarantor or affiliate or of any successor for the payment of the principal of or premium or interest on any of the Notes or on any covenant, agreement, representation or warranty by the Issuer or any Guarantor contained herein or in the Notes or Security Documents. Each Holder and Beneficial Holder, by accepting its interest in Notes, waives and releases all such claims against, and liability of, such Persons. The waiver and release provided for in this Section 7.14 are part of the consideration for issuance of the Notes.

7.15 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 14.2 by the Trustee to the Holders of Notes of any series of any payment to be made under this Article 7. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Holders of Notes of the affected series will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the relevant Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.

7.16 Trustee May Demand Production of Notes

The Trustee shall have the right to demand production of the Notes of any series in respect of which any payment of principal, interest or premium (if any) required by this Article 7 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Issuer as the Trustee shall deem sufficient.

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7.17 Statement by Officers

- (a) The Issuer shall deliver to the Trustee, within 120 days after the end of each of its fiscal years, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of compliance by the Issuer and its Subsidiaries with all conditions and covenants in this Indenture. For purposes of this Section 7.17(a), such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.
- (b) Upon becoming aware of any Default or Event of Default, the Issuer shall promptly deliver to the Trustee by registered or certified mail or email or by facsimile transmission an Officers' Certificate, specifying such event, notice or other action giving rise to such Default or Event of Default and the action that the Issuer or Subsidiary, as applicable, is taking or proposes to take with respect thereto.

**ARTICLE 8
DISCHARGE**

8.1 Satisfaction and Discharge

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder (except as to any surviving rights of registration of transfer or exchange of Notes expressly provided for herein), when

- (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation;
- (b) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);
- (c) such deposit will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (d) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer under this Indenture; and
- (e) the Issuer has delivered irrevocable written instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

8.2 Release of Liens

The Guaranty and Collateral Security Agreement sets forth the terms of conditions of the release of Collateral from the liens created thereby, including the release with the consent of the Notes Majority, release upon payment in full of the Related Notes and release upon the disposition of Collateral by the Issuer or its Subsidiaries in accordance with the terms of this Indenture and the Original Senior Secured Notes.

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**ARTICLE 9
MEETINGS OF HOLDERS**

9.1 Purpose, Effect and Convention of Meetings

- (a) Wherever in this Indenture a consent, waiver, notice, authorization or resolution of the Holders (or any of them) is required, a meeting may be convened in accordance with this Article 9 to consider and resolve whether such consent, waiver, notice authorization or resolution should be approved by such Holders. A consent, waiver, notice, authorization or resolution passed by the affirmative votes of the Holders of more than 50% of the outstanding principal amount of the Notes on a poll at a meeting of Holders duly convened for the purpose and held in accordance with the provisions of this Indenture shall constitute conclusively such consent, waiver, notice, authorization or resolution.
- (b) At any time and from time to time, the Trustee on behalf of the Issuer may and, on receipt of an Issuer Order or a Holders' Request and upon being indemnified and funded for the costs thereof to the reasonable satisfaction of the Trustee by the Issuer or the Holders signing such Holders' Request, will, convene a meeting of all Holders.
- (c) If the Trustee fails to convene a meeting after being duly requested as aforesaid (and indemnified and funded as aforesaid), the Issuer or such Holders may themselves convene such meeting and the notice calling such meeting may be signed by such Person as the Issuer or those Holders designate, as applicable. Every such meeting will be held in Vancouver, British Columbia or such other place as the Trustee may in any case determine or approve.

9.2 Notice of Meetings

- (a) Not more than 60 days' nor less than at least 21 days' notice of any meeting of the Holders of Notes of any series or of all series then outstanding, as the case may be, shall be given to the Holders of Notes of such series or of all series of Notes then outstanding, as applicable, in the manner provided in Section 14.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it, and to the Issuer, unless such meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 9. The accidental omission to give notice of a meeting to any Holder shall not invalidate any resolution passed at any such meeting. A Holder may waive notice of a meeting either before or after the meeting.

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- (b) If the business to be transacted at any meeting by resolution of Holder's, or any action to be taken or power exercised by instrument in writing under Section 9.12, especially affects the rights of holders of Notes of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Notes of any other series are affected (determined as provided in Sections 9.2(c) and 9.2(d)), then:
 - (i) a reference to such fact, indicating each series of Notes in the opinion of the Trustee (or the Person calling the meeting) so especially affected (hereinafter referred to as the "especially affected series") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "Serial Meeting"; and
 - (ii) the holders of Notes of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 9.12 unless in addition to compliance with the other provisions of this Article 9:
 - (A) at such Serial Meeting: (I) there are Holders present in person or by proxy and representing more than 50% of the principal amount of the Notes then outstanding of such series; and (II) the resolution is passed by such proportion of Holders of the principal amount of the Notes of such series then outstanding voted on the resolution as is required by Sections 12.1; or

(B) in the case of action taken or power exercised by instrument in writing under Section 9.12, such instrument is signed in one or more counterparts by such proportion of Holders of the principal amount of the Notes of such series then outstanding as is required by Sections 12.1.

- (c) Subject to Section 9.2(d), the determination as to whether any business to be transacted at a meeting of Holders, or any action to be taken or power to be exercised by instrument in writing under Section 9.12, especially affects the rights of the Holders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Holders of any other series (and is therefore an especially affected series) shall be determined by an Opinion of Counsel, which shall be binding on all Holders, the Trustee and the Issuer for all purposes hereof.
- (d) A proposal:
- (i) to extend the Maturity of Notes of any particular series or to reduce the principal amount thereof, the rate of interest or premium thereon;
 - (ii) to modify or terminate any covenant or agreement which by its terms is effective only so long as Notes of a particular series are outstanding; or

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- (iii) to reduce with respect to Holders of any particular series any percentage stated in this Section 9.2 or Sections 9.4 and 9.12;

shall be deemed to especially affect the rights of the Holders of such series in a manner differing in a material way from that in which it affects the rights of holders of Notes of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Notes of any or all other series.

9.3 Chair

Some individual, who need not be a Holder, nominated in writing by the Trustee shall be chair of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Holders present in person or by proxy shall choose some individual present to be chair.

9.4 Quorum

Subject to this Indenture, at any meeting of the Holders of Notes of any series or of all series then outstanding, as the case may be, a quorum shall consist of Holders present in person or by proxy and representing more than 50% of the principal amount of the outstanding Notes of the relevant series or all series then outstanding, as the case may be, and, if the meeting is a Serial Meeting, more than 50% of the principal amount of the Notes then outstanding of each especially affected series. If a quorum of the Holders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if convened by the Holders or pursuant to a Holders' Request, shall be dissolved, but in any other case the meeting may be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

9.5 Power to Adjourn

The chair of any meeting at which the requisite quorum of the Holders is present may, with the consent of the Holders of a majority in principal amount of the Notes represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

9.6 Voting

On a poll each Holder present in person or represented by a duly appointed proxy shall be entitled to one vote in respect of each \$1.00 principal amount of the Notes of the relevant series of Notes of which it is the Holder. A proxyholder need not be a Holder. In the case of joint registered Holders of a Note, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Notes of which they are joint Holders.

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9.7 Poll

A poll will be taken on every resolution submitted for approval at a meeting of Holders, in such manner as the chair directs, and the results of such polls shall be binding on all Holders of the relevant series. Except as otherwise provided, every resolution will be decided by a majority of the votes cast on the poll for that resolution.

9.8 Proxies

A Holder may be present and vote at any meeting of Holders by an authorized representative. The Issuer (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Holders to be present and vote at any meeting without producing their Notes, and of enabling them to be present and vote at any such meeting by proxy and of depositing instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any individual signing on behalf of a Holder;
- (b) the deposit of instruments appointing proxies at such place as the Trustee, the Issuer or the Holder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, cabled, telegraphed or sent by other electronic means before the meeting to the Issuer or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only Persons who shall be recognized at any meeting as the Holders of any Notes, or as entitled to vote or be present at the meeting in respect thereof, shall be Holders and Persons whom Holders have by instrument in writing duly appointed as their proxies.

9.9 Persons Entitled to Attend Meetings

The Issuer and the Trustee, by their respective directors, officers and employees and the respective legal advisors of the Issuer, the Trustee or any Holder may attend any meeting of the Holders, but shall have no vote as such.

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9.10 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Holders by resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any other such power or powers thereafter from time to time. No powers exercisable by resolution will derogate in any way from the rights of the Issuer pursuant to this Indenture.

9.11 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Issuer, and any such minutes as aforesaid, if signed by the chair of the meeting at which such resolutions were passed or proceedings had, or by the chair of the next succeeding meeting of the Holders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

9.12 Instruments in Writing

Any consent, waiver, notice, authorization or resolution of the Holders which may be given by resolution at a meeting of the Holders pursuant to this Article 9 may also be given by the Holders of more than 50% of the principal amount of the outstanding Notes of such series by a signed instrument in one or more counterparts, and the expression "resolution" when used in this Indenture will include instruments so signed. Notice of any resolution passed in accordance with this Section 9.12 will be given by the Trustee to the affected Holders within 30 days of the date on which such resolution was passed.

9.13 Binding Effect of Resolutions

Every resolution passed in accordance with the provisions of this Article 9 at a meeting of Holders of a particular series of Notes or of all series then outstanding, as the case may be, shall be binding upon all the Holders of Notes or of the particular series, as the case may be, whether present at or absent from such meeting, and every instrument in writing signed by Holders in accordance with Section 9.12 shall be binding upon all the Holders, whether signatories thereto or not, and each and every Holder and the Trustee (subject to the provisions for its indemnity herein contained) shall, subject to Applicable Law, be bound to give effect accordingly to every such resolution and instrument in writing. Notwithstanding anything in this Indenture (but subject to the provisions of any indenture, deed or instrument supplemental or ancillary hereto), any covenant or other provision in this Indenture or in any Supplemental Indenture which is expressed to be or is determined by the Trustee (relying on the advice of Counsel) to be effective only with respect to Notes of a particular series, may be modified by the required resolution or consent of the Holders of Notes of such series in the same manner as if the Notes of such series were the only Notes outstanding under this Indenture.

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9.14 Evidence of Rights of Holders

- (a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Holders may be in any number of concurrent instruments of similar tenor signed or executed by such Holders. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney will be sufficient for any purpose of this Indenture if the fact and date of the execution by any Person of such request, direction, notice, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.
- (b) Notwithstanding Section 9.14(a), the Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

9.15 Actions by the Notes Majority

In the event the approval of the Notes Majority is required for any consent, waiver, notice, authorization or resolution, and the affirmative vote of the Holders calculated in accordance with this Article 9 does not constitute the Notes Majority, the Trustee shall give notice to the holders of the Original Senior Secured Notes (in the manner provided in Section 6.11) and determine whether the consent, waiver, notice, authorization or resolution is approved by the Notes Majority.

ARTICLE 10 SUCCESSORS TO THE ISSUER AND SUBSIDIARIES

10.1 Merger, Consolidation, Amalgamation or Sale of Assets

- (a) The Issuer will not, and will not permit any of its Subsidiaries directly or indirectly to:
 - (i) enter into any transaction of merger or consolidation except, that upon not less than ten (10) Business Days prior written notice to the Holders, any wholly owned Subsidiary of the Issuer may be merged with or into the Issuer (provided that the Issuer is the surviving entity) or any other wholly owned Subsidiary of the Issuer; or
 - (ii) liquidate (provided that a Subsidiary may liquidate into the Issuer or another Subsidiary), wind-up or dissolve itself (or suffer any liquidation or dissolution);

provided that both before and immediately after giving effect to any such transaction permissible pursuant to Section 10.1(a)(i) or (ii), no Event of Default shall have occurred and be continuing.

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ARTICLE 11 CONCERNING THE TRUSTEE

11.1 No Conflict of Interest

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 11.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture and the Notes of any series shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises.

11.2 Replacement of Trustee

- (a) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Issuer 90 days' notice in writing or such shorter notice as the Issuer may accept as sufficient. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder the Trustee shall, within 90 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest with the Issuer, the affiliates and Subsidiaries of the Issuer, or any affiliates of the Issuer or the affiliates and Subsidiaries of the Issuer, or resign in the manner and with the effect specified in this Section 11.2. The validity and enforceability of this Indenture and of the Notes issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Issuer shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Holders in accordance with the provisions hereof. Failing such appointment by the Issuer, the retiring Trustee or any Holder may apply to a judge of the British Columbia Supreme Court, on such notice as such Judge may direct at the Issuer's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Issuer or by the Court shall be subject to removal as aforesaid by the Holders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 11.2 shall be a corporation authorized to carry on the business of a trust company in one or more of the Provinces of Canada. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

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- (b) Any entity into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any entity resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Issuer, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the retiring Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Issuer or any Guarantor be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Issuer or such Guarantor, as applicable.

11.3 Rights and Duties of Trustee

- (a) In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Related Notes and the Security Documents, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent Trustee would exercise in comparable circumstances. Subject to the foregoing, the Trustee will be liable for its own wilful misconduct or gross negligence. The Trustee will not be liable for any act or default on the part of any agent employed by it or a co-Trustee, or for having permitted any agent or co-Trustee to receive and retain any money payable to the Trustee, except as aforesaid.
- (b) Nothing herein contained shall impose any obligation on the Trustee to see to or require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto or thereto, including any Security Documents.
- (c) The Trustee shall not be:
 - (i) accountable for the use or application by the Issuer of the Notes or the proceeds thereof;
 - (ii) responsible to make any calculation with respect to any matter under this Indenture;
 - (iii) liable for any error in judgment made in good faith unless negligent in ascertaining the pertinent facts; or
 - (iv) responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including, without limitation, any provision of any law or regulation or any act of any Governmental Authority, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; cyberterrorism; accidents; labor disputes; acts of civil or military authority and governmental action.

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- (d) The Trustee shall have the right to disclose any information disclosed or released to it if, in the reasonable opinion of the Trustee, after consultation with Counsel, it is required to disclose under any Applicable Law, court order or administrative directions, or if, in the reasonable opinion of the Trustee, it is required to disclose to its regulatory authority. The Trustee shall not be responsible or liable to any party for any loss or damage arising out of or in any way sustained or incurred or in any way relating to such disclosure.

- (e) The Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on whose signature the Trustee is entitled to act, or refrain from acting, under a specific provision of this Indenture.
- (f) The Trustee shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the perfection or maintenance of any security interest created hereunder.
- (g) The Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Trustee from a Person purporting to be (and whom the Trustee, acting reasonably, believes in good faith to be) an authorized representative of the Issuer or a Holder, as sufficient instructions and authority of such party for the Trustee to act and shall have no duty to verify or confirm that Person is so authorized. The Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon, or compliance with, such instructions or directions, except to the extent any such losses, cost or expense are the direct result of gross negligence or willful misconduct on the part of the Trustee. The Issuer and the Holders agree: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by such party; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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11.4 Reliance Upon Declarations, Opinions, etc.

- (a) In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith and subject to Section 11.7, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 11.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an Opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Issuer.
- (b) The Trustee shall have no obligation to ensure or verify compliance with any Applicable Law or regulatory requirements on the issue or transfer of any Notes provided such issue or transfer is effected in accordance with the terms of this Indenture. The Trustee shall be entitled to process all transfers and redemptions upon the presumption that such transfer and redemption is permissible pursuant to all Applicable Law and regulatory requirements if such transfer and redemption is effected in accordance with the terms of this Indenture. The Trustee shall have no obligation, other than to confer with the Issuer and its Counsel, to ensure that legends appearing on the Notes comply with regulatory requirements or securities laws of any applicable jurisdiction.

11.5 Evidence and Authority to Trustee, Opinions, etc.

- (a) The Issuer shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Issuer or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the authentication and delivery of Notes hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Issuer, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 11.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Issuer written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice. Such evidence shall consist of:
 - (i) an Officers' Certificate, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
 - (ii) in the case of a condition precedent the satisfaction of which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an Opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and
 - (iii) in the case of any other such condition precedent the satisfaction of which is subject to review or examination by auditors or accountants, an opinion or report of the Issuer's Auditors whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

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- (b) Whenever such evidence relates to a matter other than the authentication and delivery of Notes and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other appraiser or any other individual whose qualifications give authority to a statement made by such individual, provided that if such report or opinion is furnished by a director, officer or employee of the Issuer it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with Section 11.5(a).
- (c) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include (i) a statement by the individual giving the evidence that he or she has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (iii) a statement that, in the belief of the individual giving such evidence, he or she has made such examination or investigation as is necessary to enable him or her to make the statements or give the opinions contained or expressed therein, and (iv) a statement whether in the opinion of such individual the conditions precedent in question have been complied with or satisfied.
- (d) The Issuer shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, an Officers' Certificate certifying that the Issuer has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would constitute a Default or an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Issuer shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Issuer or as a result of any obligation imposed by this Indenture.

11.6 Officers' Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officers' Certificate.

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11.7 Experts, Advisers and Agents

Subject to Sections 11.3 and 11.4, the Trustee may:

- (a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Issuer, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and
- (b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Issuer.

11.8 Trustee May Deal in Notes

Subject to Sections 11.1 and 11.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in Notes and generally contract and enter into financial transactions with the Issuer or otherwise, without being liable to account for any profits made thereby. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the British Columbia Supreme Court for permission to continue as Trustee hereunder or resign.

11.9 Investment of Monies Held by Trustee

- (a) Any securities, documents of title or other instruments that may at any time be held by the Trustee subject to the trusts hereof may be placed in the deposit vaults of the Trustee or of any Canadian chartered bank or deposited for safe-keeping in the Province of British Columbia with any such bank. In respect of any moneys so held, upon receipt of a written order from a Participant or a Beneficial Holder, the Trustee shall invest the funds in accordance with such written order in Authorized Investments (as defined below). Any such written order from a Participant or a Beneficial Holder shall be provided to the Trustee no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. Any such written order from a Participant or a Beneficial Holder received by the Trustee after 9:00 a.m. (Toronto time) or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. (Toronto time) the next Business Day. For certainty, after an Event of Default, the Trustee shall only be obligated to make investments on receipt of appropriate instructions from the Holders by way of a resolution of Holders of at least a majority in principal amount of the Notes represented and voting at a meeting of Holders, or by a resolution in writing.

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- (b) The Trustee shall have no liability for any loss sustained as a result of any investment selected by and made pursuant to the instructions of the Issuer or the Holders, as applicable, as a result of any liquidation of any investment prior to its maturity or for failure of either the Issuer or the Holders, as applicable, to give the Trustee instructions to liquidate, invest or reinvest amounts held with it. In the absence of written instructions from either the Issuer or the Holders as to investment of funds held by it, such funds shall be held uninvested by the Trustee without liability for interest thereon.
- (c) For the purposes of this section, "Authorized Investments" means short term interest bearing or discount debt obligations issued or guaranteed by the government of Canada or a Province or a Canadian chartered bank (which may include an affiliate (as defined in this section) or related party of the Trustee) provided that such obligation is rated at least R1 (middle) by DBRS or an equivalent rating service. For certainty, the Issuer and the Holders acknowledge and agree that the Trustee has no obligation or liability to confirm or verify that investment instructions delivered pursuant to this Section 11.9 comply with the definition of Authorized Investments.

11.10 Trustee Not Ordinarily Bound

Except as otherwise specifically provided herein, the Trustee shall not, subject to Section 11.3, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Issuer of any of the obligations herein imposed upon the Issuer or of the covenants on the part of the Issuer herein contained, nor in any way to supervise or interfere with the conduct of the Issuer's business, unless the Trustee shall have been required to do so in writing by the Holders of more than 50% of the principal amount of the Notes then outstanding, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

11.11 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

11.12 Trustee Not Bound to Act on Issuer's Request

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Issuer until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

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11.13 Conditions Precedent to Trustee's Obligations to Act Hereunder

- (a) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Holders hereunder shall be conditional upon any one or more Holders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (b) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Holders of Notes of a series at whose instance it is acting to deposit with the Trustee such Notes held by them for which Notes the Trustee shall issue receipts.
- (d) Unless an action is expressly directed or required herein, the Trustee shall request instructions from the Holders with respect to any actions or approvals which, by the terms of this Indenture, the Trustee is permitted to take or to grant (including any such actions or approvals that are to be taken in the Trustee's "discretion" or "opinion", or to its "satisfaction", or words to similar effect), and the Trustee shall refrain from taking any such action or withholding any such approval and shall not be under any liability whatsoever as a result thereof until it shall have received such instructions by way of resolution from the Holders in accordance with this Indenture.

11.14 Authority to Carry on Business

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the Provinces of British Columbia and Alberta but if, notwithstanding the provisions of this Section 11.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any province of Canada, either become so authorized or resign in the manner and with the effect specified in Section 11.2.

11.15 Compensation and Indemnity

- (a) The Issuer shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Issuer and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any Default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

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- (b) The Issuer hereby indemnifies and saves harmless the Trustee and its directors, officers, employees and shareholders from and against any and all loss, damages, charges, expenses, claims, demands, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of the gross negligence or wilful misconduct of the Trustee. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Trustee shall cooperate in the defence. The Trustee may have separate Counsel and the Issuer shall pay the reasonable fees and expenses of such Counsel. The Issuer need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture. Other than for gross negligence or intentional misconduct, any liability of the Trustee shall be limited to direct damages which in the aggregate shall not exceed the amount of fees paid by the Issuer under this Indenture in the twelve months immediately prior to the Trustee receiving the first notice of the claim.
- (c) The Issuer need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through gross negligence or wilful misconduct on the part of the Trustee.

11.16 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Holders, subject to all the terms and conditions herein set forth.

11.17 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to all parties hereto; provided that (A) the written notice shall describe the circumstances of such non-compliance; and (B) if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

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11.18 Privacy

- (a) The parties hereto acknowledge that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:
 - (i) to provide the services required under this Indenture and other services that may be requested from time to time;
 - (ii) to help the Trustee manage its servicing relationships with such individuals;

- (iii) to meet the Trustee's legal and regulatory requirements; and
 - (iv) if social insurance or social security numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.
- (b) Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of providing services under this Indenture for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Trustee shall make available on its website or upon request, including revisions thereto. The Trustee may transfer some of that personal information to service providers in the United States for data processing and/or storage. Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

11.19 Acceptance of Trustee as Agent

The Trustee hereby accepts its appointment as agent of the holders of the Original Senior Secured Notes to act on behalf of the holders of Original Senior Secured Notes on all matters arising from, relating to or in connection with the rights or obligations of the Notes Majority as set forth in this Indenture, the Related Notes, the Security Documents, the Collateral Agency Agreement and all such other documents or instruments executed in connection with the transactions contemplated by any of the foregoing.

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ARTICLE 12 AMENDMENT, SUPPLEMENT AND WAIVER

12.1 Ordinary Consent

- (a) Except as provided in Section 12.2, the Issuer and the Trustee (with the affirmative consent of the Holders of more than 50% of the outstanding aggregate principal amount of the Notes) may amend, supplement or waive any provision in this Indenture or the Notes in a manner that is not inconsistent with the Original Senior Secured Notes or the Security Documents or prejudicial to the holders of Original Senior Secured Notes.
- (b) Except as provided in Section 12.2, the Issuer and the Trustee (with the affirmative consent of the Notes Majority, and, if required by the applicable agreement, the Collateral Agent) may amend, supplement or waive any provision in this Indenture, the Related Notes or the Security Documents.

12.2 Without Consent

Notwithstanding Section 12.1, without the consent of any holders of the Related Notes, the Issuer, the Guarantors or the Collateral Agent, the Trustee may amend or supplement this Indenture, the Related Notes or the Security Documents to:

- (a) cure any ambiguity, defect or inconsistency;
- (b) provide for uncertificated Notes in addition to or in place of certificated Notes;
- (c) make any change that would provide any additional rights or benefits to the Holders of Notes and holders of Original Senior Secured Notes or that does not materially adversely affect the legal rights under this Indenture of any Holder of Notes or of any holder of Original Senior Secured Notes;
- (d) add any additional Guarantors or to evidence the release of any Guarantor from its obligations under its Guarantee to the extent that such release is permitted by this Indenture, the 2019 Senior Secured Notes, the Original Senior Secured Notes or the Security Documents;
- (e) comply with the provisions set out in Article 13;
- (f) evidence and provide for the acceptance of appointment by a successor Trustee;
- (g) provide for the issuance of Additional Notes and other credit instruments in accordance with this Indenture;
- (h) to enter into additional or supplemental Security Documents or to add additional parties to the Security Documents to the extent permitted thereunder and under this Indenture;
- (i) allow any future Guarantor to execute a Guarantee; or
- (j) to release Collateral from liens when permitted or required by this Indenture or any Security Documents or add assets to Collateral when permitted or required by this Indenture or any Security Documents.

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12.3 Form of Consent

It is not necessary for any consent under Section 12.1 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

12.4 Supplemental Indentures

- (a) Subject to the provisions of this Indenture, the Issuer and the Trustee may from time to time execute, acknowledge and deliver Supplemental Indentures which thereafter shall form part of this Indenture, for any one or more of the following purposes:
 - (i) establishing the terms of any series of Notes and the forms and denominations in which they may be issued as provided in Article 2;
 - (ii) making such amendments not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes of any series which do not affect the substance thereof and which in the opinion of the Trustee relying on an Opinion of Counsel will not be materially prejudicial to the interests of Holders;

- (iii) rectifying typographical, clerical or other manifest errors contained in this Indenture or any Supplemental Indenture, or making any modification to this Indenture or any Supplemental Indenture which, in the opinion of Counsel, are of a formal, minor or technical nature and that are not materially prejudicial to the interests of the Holders;
 - (iv) to give effect to any amendment or supplement to this Indenture or the Notes of any series made in accordance with Sections 12.1 or 12.2;
 - (v) evidencing the succession, or successive successions, of others to the Issuer or any Guarantor and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture; or
 - (vi) for any other purpose not inconsistent with the terms of this Indenture, provided that in the opinion of the Trustee (relying on an Opinion of Counsel) the rights of neither the Holders nor the Trustee are materially prejudiced thereby.
- (b) Unless this Indenture expressly requires the consent or concurrence of Holders, the consent or concurrence of Holders shall not be required in connection with the execution, acknowledgement or delivery of a Supplemental Indenture contemplated by this Indenture.

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- (c) Upon receipt by the Trustee of (i) an Issuer Order accompanied by a Board Resolution authorizing the execution of any such Supplemental Indenture, and (ii) an Officers' Certificate stating that such amended or Supplemental Indenture complies with this Section 12.4, the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or Supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained.

ARTICLE 13 GUARANTEES

13.1 Guarantees and Collateral Agent

- (a) Each Guarantor providing a Guarantee on the Issue Date shall execute and deliver to the Trustee the Guaranty and Collateral Security Agreement substantially in the form attached hereto as Appendix B.
- (b) By their acceptance of the Notes, the Holders hereby instruct the Trustee to designate and appoint a Collateral Agent to serve as Collateral Agent and as the Holder's agent under this Indenture and the Security Documents, and the Trustee and each of the Holders by acceptance of the Notes hereby irrevocably authorizes the Collateral Agent to take such action on its behalf under the provisions of this Indenture, the Security Documents and the Guaranty and Collateral Security Agreement and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Indenture, the Security Documents and the Guaranty and Collateral Security Agreement, and consents and agrees to the terms of the Guaranty and Collateral Security Agreement and each Security Document, as the same may be in effect or may be amended, restated, supplemented or otherwise modified from time to time in accordance with their respective terms.
- (c) By their acceptance of the Notes hereunder, the Collateral Agent is authorized and directed by the Holders to (i) enter into the Security Documents to which it is party, whether executed on or after the Issue Date, (ii) bind the Holders on the terms as set forth in the Security Documents and (iii) perform and observe its obligations under the Security Documents.
- (d) Each Holder hereby authorizes and instructs the Trustee to execute the Collateral Agency Agreement for and on behalf of such Holder, and acknowledges and agrees that such execution by the Trustee shall bind the Holder to the terms and conditions set forth therein as though such Holder was a signatory thereto.

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ARTICLE 14 NOTICES

14.1 Notice to Issuer

Any notice to the Issuer under the provisions of this Indenture shall be valid and effective (i) if delivered to the Issuer at 1800 NW Corporate Blvd, Suite 200, Boca Raton, FL 33431, Attention: Legal Department (ii) if delivered by email to legal@jushico.com, immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, or (iii) if given by registered letter, postage prepaid, to such office and so addressed and if mailed, five days following the mailing thereof. The Issuer may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Issuer for all purposes of this Indenture.

14.2 Notice to Holders

- (a) All notices to be given hereunder with respect to the Notes shall be deemed to be validly given to the Holders thereof if sent by first class mail, postage prepaid, or, if agreed to by the applicable recipient, by email, by letter or circular addressed to such Holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given five days following the day of mailing, or immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, as applicable. Accidental error or omission in giving notice or accidental failure to mail notice to any Holder or the inability of the Issuer to give or mail any notice due to anything beyond the reasonable control of the Issuer shall not invalidate any action or proceeding founded thereon.
- (b) If any notice given in accordance with Section 14.2(a) would be unlikely to reach the Holders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Issuer shall give such notice by publication at least once in a daily newspaper of general national circulation in Canada.

- (c) Any notice given to Holders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.
- (d) All notices with respect to any Note may be given to whichever one of the Holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of any Persons interested in such Note.

14.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective: (i) if delivered to the Trustee at its principal office in the City of Vancouver, British Columbia at 323 – 409 Granville Street V6C 1T2, Attention: VP, Corporate Trust, (ii) if delivered by email to corptrust@odysseytrust.com, immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, or (iii) if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given five days following the mailing thereof.

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14.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 14.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 14.3.

ARTICLE 15 MISCELLANEOUS

15.1 Copies of Indenture

Any holder of a Related Note may obtain a copy of this Indenture without charge by writing to the Issuer at 1800 NW Corporate Blvd, Suite 200, Boca Raton, FL 33431, Attention: Investor Relations (investors@jushico.com).

15.2 Force Majeure

Except for the payment obligations of the Issuer contained herein, neither the Issuer nor the Trustee shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 15.2.

15.3 Waiver of Jury Trial

EACH OF THE ISSUER, THE GUARANTORS AND THE TRUSTEE HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS INDENTURE. The scope of this waiver is intended to encompass any and all disputes that may be filed in any court and that relate to the subject matter of this Indenture, including contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that such party has already relied on the waiver in entering into this Indenture, and that such party shall continue to rely on the waiver in its related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. In the event of litigation, this Indenture may be filed as a written consent to a trial by the court without a jury.

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ARTICLE 16 EXECUTION AND FORMAL DATE

16.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Indenture by any party hereto by facsimile transmission or PDF shall be as effective as delivery of a manually executed copy of this Indenture by such party.

16.2 Formal Date

For the purpose of convenience, this Indenture may be referred to as bearing the formal date of November 20, 2020, irrespective of the actual date of execution hereof.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

ISSUER:

JUSHI HOLDINGS INC.

Per: /s/ Jon Barack
Name: Jon Barack
Title: President

TRUSTEE:

ODYSSEY TRUST COMPANY

Per: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

Per: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

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APPENDIX A

FORM OF 2019 SENIOR SECURED NOTES

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO JUSHI HOLDINGS INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE. [INSERT GLOBAL NOTES LEGEND FOR ALL GLOBAL NOTES]

For Notes originally issued for the benefit or account of a U.S. Holder (other than an Original U.S. Holder that is a Qualified Institutional Buyer), and each Definitive Note issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF JUSHI HOLDINGS INC. (THE "ISSUER"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

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No.●

CUSIP ●
ISIN CA ●
USS ●

JUSHI HOLDINGS INC.

(a corporation formed under the laws of the Business Corporations Act (British Columbia))

10% SENIOR SECURED NOTES DUE JANUARY 15, 2023

JUSHI HOLDINGS INC. (the "Issuer") for value received hereby acknowledges itself indebted and, subject to the provisions of the trust indenture dated as of November 20, 2020 (the "Indenture") between the Issuer and Odyssey Trust Company (the "Trustee"), promises to pay to the registered holder hereof on January 15, 2023 (the "Stated Maturity") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of this Indenture the principal sum of [●] dollars (\$[●]) in lawful money of the United States of America on presentation and surrender of this Note (the "Note") at the main branch of the Trustee in Vancouver, British Columbia, in accordance with the terms of this Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof (i) from and including the date hereof, or (ii) from and including the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date, at the rate of 10% per annum, in like money, calculated and payable quarterly in arrears on March 31, June 30, September 30 and December 31 in each year commencing on December 1, 2020, and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity of this Note) to fall due on the Maturity of this Note and, automatically upon the occurrence and during the continuance of an Event of Default (as defined in the Indenture), the interest rate accruing on the outstanding principal amount of this Note shall be three (3)% more than the rate otherwise payable, in like money and on the same dates.

Interest on this Note will be computed based on a 360-day year of twelve 30-day months and shall be payable quarterly on March 31, June 30, September 30 and December 31.

If the date for payment of any amount of principal, premium or interest is not a Business Day at the place of payment, then payment will be made on the next Business Day and the holder hereof will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

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Interest hereon shall be payable by cheque mailed by prepaid ordinary mail or by electronic transfer of funds to the registered holder hereof and, subject to the provisions of this Indenture, the mailing of such cheque or the electronic transfer of such funds shall, to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld), satisfy and discharge all liability for interest on this Note.

This Note is one of the 2019 Senior Secured Notes of the Issuer issued under the provisions of this Indenture. Reference is hereby expressly made to this Indenture for a description of the terms and conditions upon which this Note and other Notes of the Issuer are or are to be issued and held and the rights and remedies of the holder of this Note and other Notes and of the Issuer and of the Trustee, all to the same effect as if the provisions of this Indenture were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents.

Notes will be issued in minimum denominations of REDACT and integral multiples of REDACT in excess thereof. Upon compliance with the provisions of this Indenture, Notes of any denomination may be exchanged for an equal aggregate principal amount of Notes in any other authorized denomination or denominations.

The indebtedness evidenced by this Note, and by all other 2019 Senior Secured Notes now or hereafter certified and delivered under the Indenture, is a senior secured obligation of the Issuer, as more particularly described in the Indenture.

The principal hereof may become or be declared due and payable before the Stated Maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

This Note may be redeemed at the option of the Issuer on the terms and conditions set out in the Indenture at the Redemption Price therein. The right is reserved to the Issuer to purchase Notes (including this Note) for cancellation in accordance with the provisions of the Indenture.

Upon the occurrence of a Change of Control, the Holders may require the Issuer to repurchase such Holder's Notes, in whole or in part, at a purchase price in cash equal to 106% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase.

The Issuer shall be entitled to withhold from all payments made under this Note all amounts which are required to be withheld and remitted in respect of Taxes. Any amounts so withheld shall be treated for purposes of this Note as having been paid to the person in respect of whom such withholding was made.

The Indenture contains provisions making binding upon all Holders of Notes outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments signed by the Holders of a specified majority of Notes outstanding (or certain series of Notes outstanding), which resolutions or instruments may have the effect of amending the terms of this Note or this Indenture.

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This Note may only be transferred, upon compliance with the conditions prescribed in this Indenture, in one of the registers to be kept at the principal office of the Trustee in Vancouver, British Columbia and in such other place or places and/or by such other Registrars (if any) as the Issuer with the approval of the Trustee may designate. No transfer of this Note shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Note for cancellation. Thereupon a new Note or Notes in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Note shall not become obligatory for any purpose until it shall have been authenticated by the Trustee under the Indenture.

This Note and the Indenture are governed by, and are to be construed and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

Capitalized words or expressions used in this Notes shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

IN WITNESS WHEREOF JUSHI HOLDINGS INC. has caused this Note to be signed by its authorized representatives as of [_____], 20__.

JUSHI HOLDINGS INC.

Per: _____
Name: _____
Title: _____

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(FORM OF TRUSTEE'S CERTIFICATE)

This Note is one of the Jushi Holdings Inc. 10% Senior Secured Notes due January 15, 2023 referred to in this Indenture within mentioned.

ODYSSEY TRUST COMPANY

Per: _____
Name: _____
Title: _____

(FORM OF REGISTRATION PANEL)

(No writing hereon except by Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee or Registrar

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FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable are set forth below, this Note (or \$_____ principal amount hereof) of JUSH HOLDINGS INC. standing in the name(s) of the undersigned in the register maintained by the Issuer with respect to such Note and does hereby irrevocably authorize and direct the Trustee to transfer such Note in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

If less than the full principal amount of the within Note is to be transferred, indicate in the space provided the principal amount (which must be REDACT or an integral multiple of REDACT) to be transferred.

In the case of a Note that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- ☐ (A) the transfer is being made to the Issuer;
- ☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and in compliance with any applicable local laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Appendix C to the Indenture, or
- ☐ (C) the transfer is being made in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Issuer and the Trustee an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Issuer to such effect.

In the case of a Note that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Note is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Issuer and the Trustee an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Issuer to such effect.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of the Note in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank of trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”.

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2. The registered holder of this Note is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Note.

Signature of Guarantor

Authorized Officer

Signature of transferring registered holder

Name of Institution

APPENDIX B

FORM OF GUARANTY

(see attached)

AMENDED AND RESTATED GUARANTY AND COLLATERAL SECURITY AGREEMENT

Amended and Restated Guaranty and Collateral Security Agreement, dated as of November 20, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “Agreement”), made by Jushi Holdings, Inc., a British Columbia corporation (the “Company”), the other direct and/or indirect wholly-owned United States of America and international Subsidiaries of the Company signatory hereto (together with the Company and any other Person that becomes a party hereto as provided herein, each, individually, a “Grantor” and, collectively, “Grantors”), in favor of Acquiom Agency Services LLC, a Delaware limited liability company, as collateral agent for the Secured Parties (the “Collateral Agent”) and Odyssey Trust Company, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia and Alberta (the “Trustee”).

The Grantors and the Collateral Agent entered into a Guaranty and Collateral Security Agreement dated as of December 23, 2019 (the “Original Guaranty and Collateral Security Agreement”) pursuant to which the Grantors granted to the Collateral Agent a security interest in their respective Collateral and the Grantors provided certain guarantees of the obligations of the Company, in each case in favor of the Collateral Agent on behalf of the holders of the Original Senior Secured Notes in exchange for such holders of the Original Senior Secured Notes severally extending credit to the Company. The Company is affiliated with each other Grantor. The proceeds of credit extended by the holders of Original Senior Secured Notes will be used in part to enable the Company to make valuable transfers to other Grantors in connection with the operation of their respective businesses. The Company and the other Grantors are engaged in interrelated businesses, and each Grantor will derive substantial direct and indirect benefit from extensions of credit under the Original Senior Secured Notes.

The Company and certain holders of Original Senior Secured Notes have agreed to exchange the Original Senior Secured Notes for 2019 Senior Secured Notes and, in connection therewith, the Notes Majority has agreed to permit the Collateral Agent to execute this Agreement on behalf of all Holders, and such execution shall be binding on all Holders.

For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Grantors, the Collateral Agent (for and on behalf of itself and the Notes Majority) have agreed to amend and restate the Original Guaranty and Collateral Security Agreement in its entirety as follows:

Section 1. Definitions.

1.1. Unless otherwise defined herein, terms defined in the Trust Indenture and used herein shall have the meanings given to them in the Trust Indenture, and the following terms are used herein as defined in the UCC: Deposit Accounts, Inventory and Equipment.

1.2 When used herein the following terms shall have the following meanings:

“2019 Noteholder” means the Persons entered in the Register as the holder of a 2019 Senior Secured Note or any transferees of such Persons as of the date in question.

“2019 Senior Secured Notes” means the 10% senior secured promissory notes due January 15, 2023, issued by the Company pursuant to, and which are governed by, the terms of the Trust Indenture.

“Agreement” has the meaning set forth in the preamble hereto.

“Collateral” means all of the owned material assets of the Company and each Guarantor, in each case whether owned on the Issue Date or thereafter acquired including, without limitation, all, contract rights, deposits, Deposit Accounts, General Intangibles, Equipment, fixtures, letter-of-credit rights, instruments, Investment Property, documents, commercial tort claims, Intellectual Property and all other assets, wherever located and whether now existing or owned or hereafter acquired or arising, all supporting obligations thereof, and all products and Proceeds thereof, but excluding any Excluded Property.

“Collateral Agency Agreement” means that certain Amended and Restated Collateral Agency Agreement, dated as of November 20, 2020, by and among the Company, the Collateral Agent, the Holders and the Trustee.

“Company Obligations” means all the obligations of the Company to the Holders and the Trustee (solely for the benefit of the 2019 Noteholders), pursuant to the Related Notes and/or the Trust Indenture.

“Copyrights” means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and all renewals of any of the foregoing.

“Event of Default” means an Event of Default pursuant to either the 2019 Senior Secured Notes or the Original Senior Secured Notes.

“Excluded Equity” means: (a) all of the current and future equity interests of the SW Companies; (b) securities of Cresco Labs, Inc. (including any of its successors); (c) the securities of TGS National Holdings, LLC and its Subsidiaries and (d) securities of Organigram Holdings Inc. (including any of its successors).

“Excluded Property” means, with respect to a Grantor, (a) real property and leaseholds, accounts receivable and Inventory, (b) vehicles, (c) those assets and equity interests as to which the Company reasonably determines that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (d) assets or equity interests to which the granting or perfecting of such a security interest would violate any Applicable Law (including, without limitation, any state or local cannabis and cannabis related laws and regulations) or contract or rights of a Person to such assets or equity interests, but only so long as such grant or perfection would violate any such Applicable Law or contract or the rights of a Person to such assets or equity interests, (e) the current and future SW Assets and TGS Assets, (f) any cannabis, cannabis-related, hemp or hemp-related permits or licenses (the “Licenses”) issued by any United States of America, Canadian or off-shore governmental or quasi-governmental agency, whether federal, state, local or otherwise, in each case to the extent such License cannot be transferred pursuant to Applicable Law, provided that: (i) if the Company is permitted at any time to transfer a License, such License shall be pledged by the Company as Collateral hereunder upon the unanimous

vote, in writing, of all of the Secured Parties, and (ii) if the Company is permitted at any time to transfer a License but the Secured Parties do not unanimously elect, in writing, for the Company to pledge the applicable License as Collateral hereunder, the Company shall not be permitted to pledge the applicable License to any other Person; (g) assets (including Proceeds and products therefrom) acquired pursuant to subsection (e) of the definition of Permitted Indebtedness; and (h) Excluded Equity.

“General Intangibles” means all “general intangibles” as such term is defined in Section 9-102 of the UCC and, in any event, including with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same from time to time may be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of such Grantor to damages arising thereunder and (b) all rights of such Grantor to perform and to exercise all remedies thereunder, provided that General Intangibles shall not include any Excluded Property.

“Grantor” has the meaning set forth in the preamble to this Agreement, and shall include all existing or subsequently acquired or organized direct and/or indirect wholly-owned Subsidiaries of the Company, other than: (a) immaterial Subsidiaries; (b) Sound Wellness Holdings, Inc., and its successors, future parent entities and current and future Subsidiaries (whether or not wholly-owned) (collectively, the “SW Companies”); (c) any Subsidiary to the extent that the burden or cost of providing a guaranty outweighs the benefit afforded thereby as reasonably determined by the Company; (d) any Subsidiary acquired by the Company that, at the time of the relevant acquisition, is an obligor in respect of assumed debt to the extent assumed debt prohibits such Subsidiary from providing a guaranty but only for such time that such debt is in existence or such prohibition is in effect; (e) any Subsidiary to the extent the provision of a guaranty by such Subsidiary would result in material adverse tax consequences as determined by the Company in its reasonable discretion in consultation with its tax advisors; (f) any Subsidiary that is prohibited by Applicable Law or contract from providing a guaranty or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guaranty but only for such time that such prohibition is in effect or such consent, approval, license or authorization has not yet been granted; and/or (g) any direct or indirect Subsidiary of the Company that is not wholly-owned by the Company.

“Guarantor Obligations” means, collectively, with respect to each Guarantor, all of such Guarantor’s obligations hereunder.

“Guarantors” means the collective reference to each Grantor other than the Company.

“Holders” means the holders of Related Notes.

“Intellectual Property” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including all Copyrights, Patents and Trademarks, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, provided that Intellectual Property shall not include any Excluded Property.

“Intercompany Note” means any promissory note evidencing loans made by any Grantor (or any Subsidiary of any Grantor) to any other Grantor.

“Investment Property” means the collective reference to all “investment property” as such term is defined in Section 9-102 of the UCC, including all Pledged Notes and all Pledged Equity; provided that Investment Property shall not include any Excluded Property.

“Issuers” means the collective reference to each issuer of any Investment Property.

“Lien” means with respect to any Person, any interest granted by such Person in any real or personal property, asset or other right owned or being purchased or acquired by such Person which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance, charge or other security interest of any kind, whether arising by contract, as a matter of law, by judicial process or otherwise.

“Notes Majority” means the Holders of more than 50% of the aggregate outstanding principal amount of all Related Notes.

“Original Noteholder” means the registered holder of an Original Senior Secured Note as of the date in question.

“Original Senior Secured Notes” means the 10% senior secured promissory notes due January 15, 2023, issued by the Company pursuant to subscription agreements entered into by the Company and the other parties thereto between December 23, 2019 and July 30, 2020.

“Paid in Full” means with respect to the Company Obligations or Guarantor Obligations, the payment in full in cash of all such obligations, unless an alternate form of payment is agreed to in writing by the Company, on the one hand, and the Notes Majority, Trustee (acting on behalf of the Notes Majority), or the Collateral Agent, on the other hand.

“Patents” means (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing.

“Permitted Liens” means: (a) the Liens on the Collateral granted in respect of the Secured Surviving Debt, (b) Liens incurred in connection with the Permitted Indebtedness; (c) Liens for taxes, assessments and other governmental charges or levies not yet due or Liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established, and (d) non-consensual Liens imposed by Applicable Law which were incurred in the ordinary course of the Company’s business, such as carriers’, warehousemen’s and mechanics’ Liens, statutory landlords’ Liens, Liens for attorneys’ fees and other similar Liens arising in the ordinary course of the Company’s business.

“Person” means an individual, corporation, partnership, limited liability company, association, trust, joint venture, unincorporated organization or any government, governmental department or agency or political subdivision thereof.

“Pledged Equity” means all the equity interests directly or indirectly held by the Company or any Guarantor in any Subsidiary, together with any other equity interests, certificates, options or rights of any nature whatsoever in respect of the equity interests of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect; provided that Pledged Equity shall not include any Excluded Property (including, without limitation, the Excluded Equity).

“Pledged Notes” means all promissory notes issued to or held by any Grantor and all Intercompany Notes; provided that Pledged Notes shall not include any Excluded Property including, without limitation, promissory notes evidencing the accounts receivable of a Grantor and promissory notes issued to any Grantor in connection with extensions of trade credit given by any Grantor in the ordinary course of business.

“Proceeds” means all “proceeds” as such term is defined in Section 9-102 of the UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“Related Notes” means, collectively, the 2019 Senior Secured Notes and the Original Senior Secured Notes

“Secured Obligations” means, collectively, Company Obligations and Guarantor Obligations.

“Secured Party” or “Secured Parties” means each Holder and shall include the Trustee on behalf of the 2019 Noteholders.

“Securities Act” means the Securities Act of 1933, as amended.

“Subsidiary” or “Subsidiaries” means, with respect to any Person, a corporation or other entity of which more than fifty percent (50%) of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

“SW Assets” means any and all of the assets of the SW Companies.

“SW Companies” has the meaning specified in the definition of Grantor.

“TGS Assets” means any and all of the assets of TGS National Holdings, LLC and its Subsidiaries.

“Trademarks” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto and (b) the right to obtain all renewals thereof.

“Trust Indenture” means that certain trust indenture between the Company and the Trustee dated as of November 20, 2020, providing for the issue of the 2019 Senior Secured Notes.

“Trustee” has the meaning set forth in the preamble hereto.

“UCC” means the Uniform Commercial Code as in effect on the date hereof and from time to time in the State of New York, provided that if by reason of mandatory provisions of Applicable Law, the perfection or the effect of perfection or non-perfection of the security interests in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy.

Section 2. Guarantee

2.1. Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, as a primary obligor and not only a surety, guarantees to the Collateral Agent, for the benefit of the Secured Parties and their respective successors, transferees and assigns, the prompt and complete payment and performance by the Company when due (whether at the stated maturity, by acceleration or otherwise) of the Company Obligations.

(b) Anything herein or in the Related Notes or Trust Indenture to the contrary notwithstanding, the maximum aggregate liability of each Guarantor hereunder and under the Related Notes and Trust Indenture shall in no event exceed the amount which can be guaranteed by such Guarantor (after giving effect to the right of contribution established in Section 2.2) under United States federal and state Applicable Laws relating to the insolvency of debtors, including Applicable Laws relating to fraudulent conveyances or fraudulent transfers.

(c) The guarantee contained in this Section 2 shall remain in full force and effect until all of the Secured Obligations shall have been Paid in Full.

2.2. No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by Collateral Agent or any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of Collateral Agent or any Secured Party against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by Collateral Agent or any Secured Party for the payment of the Secured Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until all of the Secured Obligations are Paid in Full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Secured Obligations shall not have been Paid in Full, such amount shall be held by such Guarantor in trust for Collateral Agent, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to Collateral Agent in the exact form received by such Guarantor (duly endorsed by such Guarantor to Collateral Agent, if required) and be applied against the Secured Obligations, whether matured or unmatured, as required by the terms of the Related Notes and/or Trust Indenture, or, if not required by any of the foregoing, as determined in the reasonable good faith discretion of the Collateral Agent.

2.3. Amendments, etc. with respect to the Secured Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Secured Obligations made by Collateral Agent may be rescinded by Collateral Agent and any of the Secured Obligations continued, and the Secured Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Collateral Agent, the Notes Majority, or the Trustee acting on behalf of the Notes Majority, and the Related Notes, the Trust Indenture and the Company Obligations set forth therein may be amended, modified, supplemented or terminated, in whole or in part, as the Notes Majority or the Trustee acting on behalf of the Notes Majority may deem advisable from time to time.

2.4. Guarantee Absolute and Unconditional. Each Guarantor waives, to the extent permitted by Applicable Law, any and all notice of the creation, renewal, extension or accrual of any of the Secured Obligations and notice of or proof of reliance by Collateral Agent or any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Secured Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred,

or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2, and all dealings between the Company and any of the Guarantors, on the one hand, and Collateral Agent and Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives, to the extent permitted by Applicable Law, (a) diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or any of the Guarantors with respect to the Secured Obligations and (b) notice of the existence or creation or non-payment of all or any of the Secured Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity or enforceability of the Related Notes, the Trust Indenture, any of the Secured Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Collateral Agent or any Secured Party or (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Company or any other Person against Collateral Agent or any Secured Party (all of which defenses are hereby waived to the extent permitted by Applicable Law). When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, Collateral Agent may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Company, any other Guarantor or any other Person or against any collateral security or guarantee for the Secured Obligations or any right of offset with respect thereto, and any failure by Collateral Agent to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Collateral Agent against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.5. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to Collateral Agent without set-off or counterclaim (other than for a defense of full payment, performance or release) in United States dollars at the office of Collateral Agent as may be notified to the Guarantors by the Collateral Agent from time to time.

Section 3. Grant of Security Interest.

(a) Initial Grant of Security Interest. Each Grantor hereby grants to Collateral Agent, for the benefit of the Secured Parties, a security interest in all of its Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations.

(b) Special Subsidiary Provisions.

(i) Company acknowledges, represents and covenants that: (1) Jushi Inc, a Delaware corporation ("Jushi") and wholly-owned Subsidiary of the Company is the issuer of certain Secured Surviving Debt that may prevent Jushi from pledging the outstanding equity of Franklin Bioscience – Penn, LLC ("FBSPA") as Collateral as of the date hereof; (2) the Secured Surviving Debt issued by Jushi may prevent FBSPA from being a Guarantor hereunder and providing any of its property as Collateral as of the date hereof; (3) until such time as the applicable Secured Surviving Debt issued by Jushi has been fully and finally discharged, Jushi shall not be required to pledge the outstanding equity of FBSPA as Collateral hereunder and shall not do so in support of any financing other than the Secured Surviving Debt, and FBSPA shall neither be a Guarantor hereunder or provide any of its property as Collateral hereunder; and (4) upon the full and final discharge of the Secured Surviving Debt issued by Jushi (subject to Applicable Law, other existing contractual obligations (including, without limitation, those incurred pursuant to Permitted Indebtedness) and the Company's sole but reasonable business judgement), the Company shall use commercially reasonable efforts to cause Jushi to pledge the outstanding equity of FBSPA as Collateral hereunder, to cause FBSPA to become a Guarantor hereunder and to cause FBSPA to provide its property as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) and if FBSPA does not become a Guarantor hereunder or provide its property as Collateral hereunder, it shall not do so in support of any other financing except for Permitted Indebtedness related to FBSPA or any of its Subsidiaries.

(i) Company acknowledges, represents and covenants that: (1) Jushi is the issuer of certain Secured Surviving Debt that may prevent FBSPA from pledging the outstanding equity of Franklin Bioscience – NE, LLC ("FBSNE"), Franklin Bioscience – SE, LLC ("FBSSE") and Franklin Bioscience – SW, LLC ("FBSSW") as Collateral as of the date hereof; (2) the Secured Surviving Debt issued by Jushi may prevent FBSNE, FBSSE and FBSSW from being Guarantors hereunder and providing respective property as Collateral as of the date hereof; (3) until such time as the Secured Surviving Debt issued by Jushi has been fully and finally discharged, FBSPA shall not be required to pledge the outstanding equity of FBSNE, FBSSE or FBSSW as Collateral hereunder and shall not do so in support of any financing other than the Secured Surviving Debt, and none of FBSNE, FBSSE or FBSSW shall be a Guarantor hereunder or be required to provide any of their respective property as Collateral hereunder; and (4) upon the full and final discharge of the applicable Secured Surviving Debt issued by Jushi (subject to Applicable Law, other existing contractual obligations (including, without limitation, those incurred pursuant to Permitted Indebtedness) and FBSPA's sole but reasonable business judgement), the Company shall use commercially reasonable efforts to cause FBSPA to pledge the outstanding equity of FBSNE, FBSSE and FBSSW as Collateral hereunder, to cause FBSNE, FBSSE and FBSSW to become Guarantors hereunder and to cause FBSNE, FBSSE and FBSSW to provide their respective property as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) and if any of FBSNE, FBSSE and FBSSW does not become a Guarantor hereunder or provide its property as Collateral hereunder, it shall not do so in support of any other financing except for Permitted Indebtedness related to FBSPA or any of its Subsidiaries.

(i i) Company acknowledges, represents and covenants that: (1) Jushi OH, LLC, an Ohio limited liability company ("JOH") and wholly-owned Subsidiary of the Company is party to a services contract (the "JOH Services Contract") that may contractually prohibit JOH from being a Guarantor hereunder and providing its property as Collateral as of the date hereof; (2) until such time as the JOH Services Contract has been terminated, JOH shall not be a Guarantor hereunder or provide any of its property as Collateral hereunder and shall not do so in support of any other financing whatsoever; and (3) upon the termination of the JOH Services Contract (subject to Applicable Law, other existing contractual obligations (including, without limitation, those incurred pursuant to Permitted Indebtedness) and the Company's sole but reasonable business judgement), the Company shall use commercially reasonable efforts to cause JOH to become a Guarantor hereunder and to cause JOH to provide its property as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) and if JOH does not become a Guarantor hereunder or provide its property as Collateral hereunder, it shall not do so in support of any other financing except for Permitted Indebtedness related to JOH or any of its Subsidiaries.

(ii) Company acknowledges, represents and covenants that: (1) Production Excellence, LLC, a Nevada limited liability company ("PE") and wholly-owned subsidiary of the Company is party to a services contract (the "PE Services Contract") that may contractually prohibit PE from being a Guarantor hereunder and providing its property as Collateral as of the date hereof; (2) until such time as the PE Services Contract has been terminated, PE shall not be a Guarantor hereunder or provide any of its property as Collateral hereunder; nor shall PE consent to be a guarantor or pledge its property as collateral in support of any other financing; and (3) upon the termination of the PE Services Contract (subject to Applicable Law, other existing contractual obligations (including, without limitation, those incurred pursuant to Permitted Indebtedness) and the Company's sole but reasonable business judgement), the Company shall use commercially reasonable efforts to cause PE to become a Guarantor hereunder and to provide its property as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) and if PE does not become a Guarantor hereunder or provide its property as Collateral hereunder, it shall not do so in support of any other financing except for Permitted Indebtedness related to PE or any of its Subsidiaries.

(iii) Company acknowledges, represents and covenants that: (1) Bear Flag Assets, LLC (“BFA”), a California limited liability company and wholly-owned subsidiary of the Company is party to a purchase and sale contract pursuant to which BFA may be obligated to issue Secured Surviving Debt after the date hereof; (2) the Secured Surviving Debt that may be issued by BFA after the date hereof may prevent BFA from pledging certain property of BFA as Collateral hereunder and may prevent a Subsidiary of BFA from being a Guarantor hereunder and pledging such Subsidiary’s property; (3) in the event BFA is required to issue the Secured Surviving Debt, until such time as the Secured Surviving Debt has been fully and finally discharged, BFA shall not be required to pledge any property associated with such Secured Surviving Debt as Collateral hereunder, nor shall it be required to cause the Subsidiary associated with such Secured Surviving Debt to be a Guarantor hereunder or provide any of such Subsidiary’s property as Collateral hereunder and shall not pledge its property, permit any of its Subsidiaries to guarantee or permit any of its Subsidiaries to pledge any of their property in support of any financing other than such Secured Surviving Debt; and (4) upon the full and final discharge of the Secured Surviving Debt issued by BFA (subject to Applicable Law, other existing contractual obligations and the Company’s sole but reasonable business judgement), the Company shall use commercially reasonable efforts to cause BFA to pledge its property associated with the Secured Surviving Debt as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) and to cause the Subsidiary of BFA to which such Secured Surviving Debt applies to become a Guarantor hereunder and provide such Subsidiary’s property as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) and if BFA does not become a Guarantor hereunder or provide its property as Collateral hereunder, it shall not do so in support of any other financing except for Permitted Indebtedness related to BFA or any of its Subsidiaries.

(iii) Company acknowledges, represents and covenants that: (1) Jushi VA, LLC, a Virginia limited liability company (“JVA”) and wholly-owned subsidiary of the Company has a 61.765% majority interest in the equity of Dalitso, LLC, a Virginia limited liability company (“Dalitso”) and is a party to Dalitso’s operating agreement (“OA”) that, as of the date hereof, contractually prohibits JVA from unilaterally becoming a Guarantor hereunder and providing its membership interest in Dalitso as Collateral without necessary consent under the OA; (2) Company has provided a \$15 million USD credit facility to Dalitso but expects that such credit facility will need to be increased; (3) as part of any negotiations to increase such credit facility, the Company agrees to use commercially reasonable efforts to obtain consent under the OA to permit JVA to be a Guarantor hereunder and pledge its assets, including its direct membership interest in Dalitso, as Collateral in support of the Related Notes; and (4) upon obtaining such consent and subject to Applicable Law and other existing contractual obligations (including, without limitation, those incurred pursuant to Permitted Indebtedness), and provided further that subject to regulatory approvals if necessary, the Company shall use commercially reasonable efforts to cause JVA to become a Guarantor hereunder and to provide its property as Collateral hereunder (excluding, for the avoidance of doubt, Excluded Property) (including the pursuit of regulatory approvals if necessary) and if JVA does not become a Guarantor hereunder or provide its property as Collateral hereunder, it shall not do so in support of any other financing except for Permitted Indebtedness related to JVA or any of its Subsidiaries.

(iv) Notwithstanding anything to the contrary, Company’s requirement to cause the applicable Subsidiaries set forth in this Section 3(b) to become additional Guarantors hereunder and pledge the applicable assets or equity as additional Collateral shall be subject to Applicable Law and shall apply only to the extent that such Subsidiary’s status as a Guarantor hereunder or providing its property as additional Collateral hereunder would not cause any Holder to be deemed an “owner”, holder of a “financial interest”, or equivalent term set forth by Applicable Law relevant to such Subsidiary, or as otherwise interpreted in writing by the regulatory authority(ies) applicable to such Subsidiary.

Section 4. Representations and Warranties.

To induce the Holders to make their respective extensions of credit to the Company, each Grantor jointly and severally hereby represents and warrants to Collateral Agent and the Secured Parties that:

4.1. Title: No Other Liens. The Grantors own each item of the Collateral free and clear of any and all Liens or claims of others, other than Permitted Liens.

4.2. Perfection of Liens: Priority. Except to the extent a security interest in the Collateral cannot be perfected by the filing of a financing statement under the UCC, all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken, or, upon the request of the Collateral Agent, will be taken upon the filing of financing statements listing each applicable Grantor, as a debtor, and Collateral Agent, as secured party, in the applicable jurisdiction of such Grantor. Upon the making of such filings Collateral Agent shall, subject to the terms and conditions set forth herein, including, without limitation, Section 5.1(e) hereof, have a first priority perfected security interests in all of the Collateral (to the extent perfection may be achieved by such filing or action) for the benefit of the Secured Parties, as collateral security for the performance of the Secured Obligations (subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting the enforceability of creditors’ rights generally and to general principles of equity).

4.3. Investment Property.

(a) The Pledged Equity pledged by each Grantor hereunder constitute, or after delivery of any Pledged Equity from time to time after the Issue Date as required by this Agreement, will constitute, all the issued and outstanding equity interests of each Issuer owned by such Grantor (excluding, for the avoidance of doubt, the Excluded Equity).

(b) All of the Pledged Equity has been duly and validly issued and is fully paid and nonassessable (to the extent applicable).

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, general equitable principles (whether considered in a proceeding in equity or at law).

(d) Each Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement and Permitted Liens.

4.4. Intellectual Property.

(a) On the date hereof, all material, registered Intellectual Property owned by any Grantor is subsisting and unexpired, has not been abandoned, and, to such Grantor’s knowledge, is valid and enforceable and does not infringe the intellectual property rights of any other Person.

(b) To each Grantor’s knowledge, no holding, decision or judgment has been rendered by any governmental authority directly against any Grantor which would limit, cancel or question the validity of, or any such Grantor’s rights in, any material Intellectual Property owned by any such Grantor in any material respect.

(c) No action or proceeding is pending against a Grantor, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any material Intellectual Property owned by such Grantor or such Grantor's ownership interest therein, or (ii) which would reasonably be expected to materially and adversely affect the value of any such material Intellectual Property.

4.5. Senior Secured Notes. Each Grantor makes each of the representations and warranties made by the Company in Section 8.1 and 8.2 and (solely with respect to the Original Senior Secured Notes, Section 8.3) of the Original Senior Secured Notes to the extent applicable to such Grantor. Such representations and warranties are incorporated herein by this reference as if fully set forth herein.

Section 5. Covenants.

Each Grantor covenants and agrees with Collateral Agent that, from and after the date of this Agreement until the Secured Obligations shall have been Paid in Full:

5.1. Maintenance of Perfected Security Interest; Further Documentation

(a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest (subject to any qualifications described in this Agreement) having at least the priority described in this Agreement and upon the reasonable request of Collateral Agent (acting at the direction of the Notes Majority), or the Trustee (acting on behalf of the Notes Majority), shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as Collateral Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of Collateral Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded (if applicable), such further instruments and documents and take such further actions as Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including filing any financing or continuation statements under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby.

(d) Each Grantor authorizes Collateral Agent to, at any time and from time to time, file financing statements, continuation statements, and amendments thereto that describe the Collateral, and which contain any other information required pursuant to the UCC for the sufficiency of filing office acceptance of any financing statement, continuation statement, or amendment, and each Grantor agrees to furnish any such information to Collateral Agent promptly upon Collateral Agent's reasonable request. Any such financing statement, continuation statement, or amendment may be signed (to the extent signature of a Grantor is required under Applicable Law) by Collateral Agent on behalf of any Grantor and may be filed at any time in any jurisdiction in the United States.

(e) Notwithstanding the foregoing or anything contained herein to the contrary, if and to the extent that the Secured Surviving Debt transaction documents prohibit the Related Notes from being secured by *pari passu* liens on any of the Collateral securing the Secured Surviving Debt, the Related Notes (to the extent not prohibited by the Secured Surviving Debt transaction documents), will be secured by a senior subordinated Lien on the Collateral so that upon repayment of such Secured Surviving Debt, the senior subordinated Lien on the Collateral securing the Related Notes shall become a senior secured Lien on the Collateral (subject only to liens securing other Permitted Indebtedness). For the avoidance of doubt, if any Secured Surviving Debt transaction document(s) shall prevent a Grantor from pledging any asset, equity security or other property as Collateral for the Secured Obligations, such asset, equity security or other property shall not be considered as Collateral for the Secured Obligations, and the applicable Grantor shall not be required to pledge such asset, equity security or other property as Collateral for the Secured Obligations until such time as the applicable Secured Surviving Debt has been repaid.

5.2. Investment Property. If such Grantor shall become entitled to receive, or shall receive, any Investment Property, whether in addition to, in substitution of, as a conversion of, or in exchange for, any of the Pledged Equity, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Collateral Agent and the Secured Parties, hold the same in trust for the Collateral Agent and the Secured Parties and, if certificated, deliver the same forthwith to the Collateral Agent in the exact form received, duly endorsed by such Grantor to the Collateral Agent, if required for perfection under the UCC, together with an undated instrument of transfer covering such certificate duly executed in blank by such Grantor and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional Collateral for the Secured Obligations. For the avoidance of doubt, the provisions of this Section 5.2 shall not be applicable to the Excluded Equity.

5.3. Intellectual Property.

(a) Except, to the extent applicable, as is consistent with such Grantor's reasonable business judgment, such Grantor (either itself or through licensees) will use reasonable efforts to (i) maintain such material Trademark in full force free from any claim of abandonment for non-use, (ii) pay all necessary fees and make all necessary filings, including filing any affidavits of use and applications for renewals of registration, to maintain in force all rights under each material registered Trademark, (iii) maintain as in the past the quality of products and services offered under such material Trademark, (iv) use such material Trademark with the appropriate notice of registration and all other notices and legends required by Applicable Law, (v) not adopt or use any mark which is confusingly similar or a colorable imitation of such material Trademark unless Collateral Agent, for the benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (vi) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such material Trademark may become invalidated or impaired in any way.

(b) Except, to the extent applicable, as is consistent with such Grantor's reasonable business judgment, such Grantor (either itself or through licensees) will (i) pay all necessary fees and make all necessary filings to maintain in force all rights under each material Patent owned by such Grantor, (ii) mark any product covered by each issued material Patent owned by such Grantor with the appropriate notice of such issued Patent, in compliance with the patent laws of the United States or any other applicable jurisdiction in the world, and (iii) not (and not permit any licensee or sublicensee thereof to) knowingly do any act, or omit to do any act, whereby any material Patent owned by such Grantor may become forfeited, abandoned or dedicated to the public.

5.4. Depositary and Other Deposit Accounts. Each Grantor hereby authorizes the financial institutions at which such Grantor maintains a Deposit Account to provide Collateral Agent with such information with respect to such Deposit Account as Collateral Agent may from time to time reasonably request, and each Grantor hereby consents to such information being provided to Collateral Agent. To the extent requested by Collateral Agent, a Grantor will cause each financial institution at which such Grantor maintains a Deposit Account or a depositary or other deposit account to enter into a control agreement with the Collateral Agent and such Grantor.

5.5. Senior Secured Notes. Each of the Grantors covenants that it will, and, if necessary, will cause or enable the Company to fully comply with each of the covenants and other agreements set forth in the Related Notes and the Trust Indenture applicable to such Grantor or the Company.

5.6 Encumbered Collateral. Each Grantor covenants and agrees that, (a) it shall not pledge or incur or permit the incurrence of a Lien upon any of its Collateral, except for Permitted Liens, and (b) to the extent such Grantor is prevented from pledging any equity or other Collateral it acquires after the date hereof pursuant to a valid contractual or other encumbrance on such equity or other Collateral, including Applicable Law, it shall make commercially reasonable efforts to obtain such approvals and consents as may be necessary to remove such valid contractual or other encumbrances and pledge such equity as Collateral hereunder. Each Grantor also covenants and agrees to notify Collateral Agent when such encumbrance is removed and the process the Grantor will undertake to effectuate such pledge.

Section 6. Remedial Provisions.

6.1. Collateral Agent Powers following an Event of Default. Each Grantor hereby irrevocably makes, constitutes and appoints, at any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent as its true and lawful attorney in fact for the purpose of enabling Collateral Agent to assert and collect on such commercial tort and other claims on behalf of each Grantor and to apply such monies in the manner determined by the Collateral Agent. Such appointment, being coupled with an interest, is irrevocable (except upon termination of this Agreement).

6.2. Intellectual Property Rights. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement after the occurrence and during the continuance of an Event of Default, each Grantor hereby grants to Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, an irrevocable (except upon termination of this Agreement), nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor but exercisable solely upon the occurrence and during the continuance of an Event of Default) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof (subject to the terms of any third-party license agreements for such software and programs).

6.3. Investment Property.

(a) Unless an Event of Default shall have occurred and be continuing and the Collateral Agent (acting at the direction of the Notes Majority, or at the direction of the Trustee on behalf of the Notes Majority) shall have given notice to the relevant Grantor of Collateral Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends and distributions paid in respect of the Pledged Equity and all payments made in respect of the Pledged Notes, to the extent permitted in the Related Notes or the Trust Indenture, and to exercise all voting and other rights with respect to the Investment Property; provided that no vote shall be cast or other right exercised or action taken which could impair, in any material respect, the Collateral Agent's security interest in the Collateral or which would be inconsistent with or result in any violation of any provision the Related Notes or the Trust Indenture.

(b) If an Event of Default shall occur and be continuing and upon concurrent notice to such Grantor, (i) Collateral Agent shall have the right to receive any and all cash dividends and distributions, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Secured Obligations in accordance with Section 6.4, (ii) at Collateral Agent's election, any or all of the Investment Property shall be registered in the name of Collateral Agent or its nominee, (iii) Collateral Agent or its nominee may exercise (x) all voting and other rights pertaining to such Investment Property at any meeting of holders of the equity interests of the relevant Issuer or Issuers or otherwise (or by written consent without such a meeting) and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other structure of any Issuer, or upon the exercise by any Grantor or Collateral Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer collateral agent, registrar or other designated agency upon such terms and conditions as Collateral Agent may determine), all without liability except to account for property actually received by it, but Collateral Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) so long as an Event of Default exists, unless otherwise expressly permitted hereby, pay any dividends, distributions or other payments with respect to the Investment Property directly to the Collateral Agent.

6.4. Proceeds to be Turned Over to Collateral Agent. If an Event of Default shall occur and be continuing, at the written request of the Collateral Agent, all Proceeds of Collateral received by any Grantor consisting of cash, checks and other cash equivalent items shall be held by such Grantor in trust for the Collateral Agent and Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required) and shall be applied to the Secured Obligations as provided in Section 6.5.

6.5. Code and Other Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC or any other Applicable Law, giving consideration to Applicable Law governing cannabis-related assets. Without limiting the generality of the foregoing, the Collateral Agent, without demand or performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by Applicable Law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived to the extent permitted by Applicable Law), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery with assumption of any credit risk. The Collateral Agent may disclaim any warranties that might arise in connection with any such lease, assignment, grant of option or other disposition of Collateral and have no obligation to provide any warranties at such time. The Collateral Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released to the extent permitted by Applicable Law. Such sales may be adjourned and continued from time to time with or without notice to the extent permitted by Applicable Law. Each Grantor further agrees, at the Collateral Agent's request, after the occurrence and during the continuance of an Event of Default, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select (at the direction of the Notes Majority, or at the direction of the Trustee on behalf of the Notes Majority), whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.5, after deducting all reasonable and documented out-of-pocket costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Secured Parties hereunder, including reasonable documented out-of-pocket attorneys' fees and disbursements, to the payment of the Secured Obligations. To the extent permitted by Applicable Law, each Grantor waives all claims, damages and demands it may acquire against the Collateral Agent arising out of the Collateral Agent's exercise of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by Applicable Law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other

disposition.

6.6. Disposition of Pledged Interests. Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely due to the private nature of such sale. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity for the period of time necessary to permit the Issuer thereof to register such securities or other interests for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

6.7. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient for the Secured Obligations to be Paid in Full and the reasonable and documented out-of-pocket fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

6.8. Marshaling. Neither the Collateral Agent nor any Secured Party shall be under any obligation to marshal any assets in favor of any Grantor or any other Person or against or in payment of any or all of the Secured Obligations and, to the extent permitted by Applicable Law, each Grantor hereby waives all rights it may have now or in the future under any Applicable Law or otherwise to compel the Collateral Agent or any Secured Party to marshal any assets in favor of any Grantor or any other Person or against or in payment of any or all of the Secured Obligations.

Section 7. Collateral Agent.

7.1. Incorporation of Collateral Agency Agreement by Reference. The parties hereto agree that Section 1.2 of the Collateral Agency Agreement is hereby incorporated by reference into this Agreement.

7.2. Photocopy of this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

7.3. Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of, after applicable notice, if any is so required hereunder, provided to the Grantors, any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Related Notes or the Trust Indenture and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as the Collateral Agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

Section 8. Miscellaneous.

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except with the written consent of the Company and the Notes Majority; *provided*, however, that any amendment to this Agreement that affects the rights, duties or obligations of the Collateral Agent hereunder shall be signed by the Collateral Agent.

8.2. Notices. All notices, requests and demands to or upon the Collateral Agent or any Grantor hereunder shall be given (unless otherwise herein expressly provided) in writing and either (a) delivered personally, (b) sent by certified, registered or express mail, postage prepaid or (c) sent by facsimile or other electronic transmission, and shall be deemed given when so delivered personally, sent by facsimile or other electronic transmission (confirmed in writing) or mailed. Each such notice, request or demand to or upon any Grantor shall be addressed to such Grantor in care of the Company at the Company's notice address set forth in the Trust Indenture. All notices to the Collateral Agent shall be delivered to Acquiom Agency Services LLC, as Collateral Agent, 100 South 5th Street, Suite 2600, Minneapolis, MN 55402, Attention: Jushi Holdings, Inc. Administrator, Email: loanagency@srsacquiom.com, with a copy (that will not constitute notice) to: Duane Morris LLP, 222 Delaware Avenue, Suite 1600 Wilmington, DE 19801 Attention: Christopher M. Winter, Esq., Email: cmwinter@duanemorris.com.

8.3. Enforcement Expenses.

(a) Each Grantor agrees, on a joint and several basis, to pay or reimburse on demand each Secured Party and the Collateral Agent within fifteen (15) Business Days after written demand therefor, which demand shall set forth the calculation of such expenses in reasonable detail and provide reasonable support therefor, all reasonable and documented out-of-pocket costs and expenses (including legal costs) incurred in collecting against any Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement, the Related Notes or the Trust Indenture (except, with respect to the Trust Indenture, to the extent a different term for payment is set forth therein, in which case the term set forth in the Trust Indenture shall control).

(b) Each Grantor agrees to pay, and to save the Collateral Agent, Trustee and Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The agreements in this Section 8.3 shall survive repayment of the Secured Obligations, and termination of this Agreement.

8.4. Captions. Captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

8.5. Nature of Remedies. All Secured Obligations of each Grantor and rights of the Collateral Agent, Trustee and the Secured Parties expressed herein, in the Related Notes or the Trust Indenture shall be in addition to and not in limitation of those provided by Applicable Law. No failure to exercise and no delay in exercising, on the

part of the Collateral Agent, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

8.6. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt by facsimile or other electronic method of any executed signature page to this Agreement shall constitute effective delivery of such signature page. This Agreement to the extent signed and delivered by means of a facsimile machine or other electronic transmission (including "pdf") shall be treated in all manner and respects and for all purposes as an original agreement or amendment and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

8.7. Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

8.8. Entire Agreement. This Agreement, together with the Related Notes, the Trust Indenture, the Collateral Agency Agreement and all exhibits and attachments thereto embodies the entire agreement and understanding among the parties hereto and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

8.9. Successors; Assigns. This Agreement shall be binding upon Grantors, the Secured Parties, the Collateral Agent and the Trustee and their respective successors and permitted assigns, and shall inure to the benefit of Grantors, the Secured Parties, the Collateral Agent and the Trustee and the successors and permitted assigns of the Grantors, Secured Parties, the Collateral Agent and the Trustee. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement. No Grantor may assign or transfer any of its rights or Secured Obligations under this Agreement without the prior written consent of the Collateral Agent.

8.10. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

8.11. Forum Selection; Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, SHALL, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAWS, BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT COLLATERAL AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH OF EACH GRANTOR, COLLATERAL AGENT, EACH SECURED PARTY AND TRUSTEE HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. EACH OF EACH GRANTOR, COLLATERAL AGENT, EACH SECURED PARTY AND TRUSTEE FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. EACH OF EACH GRANTOR, THE COLLATERAL AGENT, EACH SECURED PARTY AND TRUSTEE HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

8.12. Waiver of Jury Trial. EACH GRANTOR, THE COLLATERAL AGENT, EACH SECURED PARTY AND TRUSTEE HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

8.13. Set-off. Each Grantor agrees that the Collateral Agent and each Secured Party has all rights of set-off and bankers' lien provided by Applicable Law, and in addition thereto, each Grantor agrees that at any time any Event of Default exists, the Collateral Agent may apply to the payment of any Secured Obligations, whether or not then due, any and all balances, credits, deposits, accounts or moneys of such Grantor then or thereafter with Collateral Agent, other than trust, employee benefit, tax withholding and payroll accounts or other accounts or amounts not permitted to be applied to the Secured Obligations in accordance with Applicable Law. Following any such set-off, the Collateral Agent shall provide the Company with prompt notice thereof.

8.14. Acknowledgements. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement; and

(b) neither the Collateral Agent nor Trustee has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement and the relationship between the Grantors, on the one hand, and the Collateral Agent, the Trustee and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor.

8.15. Additional Grantors. Each Subsidiary that is required to become a party to this Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of a joinder agreement substantially in the form of Annex I hereto.

8.16. Releases.

(a) At such time as the Secured Obligations have been Paid in Full, the Collateral shall be released automatically from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of Collateral Agent and each Grantor hereunder shall terminate automatically, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Collateral Agent shall promptly deliver to the Grantors any Collateral held by the Collateral Agent hereunder, and promptly execute and deliver to the Grantors such filings and documents (including an authorization to file UCC termination statements) as the Grantors shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Related Notes or the Trust Indenture, then the Collateral Agent, at the request and sole expense of such Grantor, shall promptly execute and deliver to such Grantor all releases or other documents

reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Company, a Subsidiary of the Company which is a Guarantor shall be released from its obligations hereunder in the event that all the equity interests of such Subsidiary shall be sold, transferred or otherwise disposed of in a transaction permitted by the Related Notes or the Trust Indenture; provided that the Company shall have delivered to the Collateral Agent, with reasonable notice prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Company stating that such transaction is in compliance with the Related Notes or the Trust Indenture.

8.17. Obligations and Liens Absolute and Unconditional. Each Grantor understands and agrees that the obligations of each Grantor under this Agreement shall be construed as a continuing, absolute and unconditional without regard to (a) the validity or enforceability of the Related Notes, the Trust Indenture, any of the Secured Obligations or any other collateral security therefor or guaranty or right of offset with respect thereto at any time or from time to time held by the Collateral Agent or any Secured Party, or (b) any defense, set-off or counterclaim (other than a defense of payment, performance or release) which may at any time be available to or be asserted by any Grantor or any other Person against the Collateral Agent or any Secured Party. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Grantor, Collateral Agent may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against any other Grantor or any other Person or against any collateral security or guarantee for the Secured Obligations or any right of offset with respect thereto, and any failure by Collateral Agent to make any such demand, to pursue such other rights or remedies or to collect any payments from any other Grantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any other Grantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Collateral Agent against any Grantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

8.18. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor or any Issuer for liquidation or reorganization, should any Grantor or any Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor’s or any Issuer’s assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to Applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a “voidable preference”, “fraudulent conveyance”, or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

[Signature pages follow]

Each of the undersigned has caused this Amended and Restated Guaranty and Collateral Security Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

JUSHI HOLDINGS INC.

By: _____
Name: _____
Title: _____

JUSHI INC.

By: _____
Name: _____
Title: _____

JMGT, LLC

By: _____
Name: _____
Title: _____

JUSHI IP, LLC

By: _____
Name: _____
Title: _____

JREH, LLC

By: _____
Name: _____
Title: _____

BEAR FLAG ASSETS, LLC

By: _____
Name: _____
Title: _____

TGS CC VENTURES LLC

By: _____
Name: _____
Title: _____

MOJAVE SUNCUP HOLDINGS, LLC

By: _____
Name: _____
Title: _____

**ACQUIOM AGENCY SERVICES LLC, AS COLLATERAL AGENT ON BEHALF
OF THE HOLDERS**

By: _____
Name: _____
Title: _____

ODYSSEY TRUST COMPANY, AS TRUSTEE

By: _____
Name: _____
Title: _____

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ANNEX I

**FORM OF JOINDER TO GUARANTY AND COLLATERAL SECURITY
AGREEMENT**

This JOINDER AGREEMENT, dated as of _____ (this "Agreement"), is executed by the undersigned for the benefit of Acquiom Agency Services LLC, as Collateral Agent (the "Collateral Agent") and Odyssey Trust Company, as Trustee (the "Trustee") in connection with that certain Amended and Restated Guaranty and Collateral Security Agreement dated as of November 20, 2020 among the Grantors party thereto, the Collateral Agent and the Trustee (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Amended and Restated Guaranty and Collateral Security Agreement"). Capitalized terms not otherwise defined herein are being used herein as defined in the Amended and Restated Guaranty and Collateral Security Agreement.

Each person signatory hereto (each, a "New Grantor") is required (or the Company has elected to cause such person) to execute this Agreement pursuant to Section 8.15 of the Amended and Restated Guaranty and Collateral Security Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each signatory hereby agrees as follows:

1 . Each New Grantor assumes all the obligations of a Grantor under the Amended and Restated Guaranty and Collateral Security Agreement and agrees that such New Grantor is bound as a Grantor and a Guarantor under the terms of the Amended and Restated Guaranty and Collateral Security Agreement, as if it had been an original signatory to the Amended and Restated Guaranty and Collateral Security Agreement. In furtherance of the foregoing, such New Grantor hereby (i) grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of its Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations and (ii) guarantees the prompt and complete payment and performance by the Company when due (whether at the stated maturity, by acceleration or otherwise) of the Company Obligations.

2 . In furtherance of its obligations under Section 5.1 of the Amended and Restated Guaranty and Collateral Security Agreement, each New Grantor agrees to execute and deliver to the Collateral Agent appropriately complete UCC financing statements naming such person or entity as debtor and the Collateral Agent as secured party, and describing its Collateral and such other documentation as the Collateral Agent (or its successors or permitted assigns) may require to evidence, protect and perfect (subject to any qualifications in Section 5.1 of the Amended and Restated Guaranty and Collateral Security Agreement) the Liens created by the Amended and Restated Guaranty and Collateral Security Agreement, as modified hereby.

3 . All notices, requests and demands to or upon any New Grantor under the Amended and Restated Guaranty and Collateral Security Agreement shall be effected in the manner provided for in Section 8.2 of the Amended and Restated Guaranty and Collateral Security Agreement and each such notice, request or demand to or upon any New Grantor shall be addressed to such New Grantor in care of the Company at the Company's notice address set forth in the Trust Indenture.

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4 . This Agreement shall be deemed to be part of, and a modification to, the Amended and Restated Guaranty and Collateral Security Agreement and shall be governed by all the terms and provisions of the Amended and Restated Guaranty and Collateral Security Agreement, with respect to the modifications intended to be made to such agreement, which terms are incorporated herein by reference, are ratified and confirmed and shall continue in full force and effect as valid and binding agreements of each party to the Amended and Restated Guaranty and Collateral Security Agreement enforceable against such party, in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity. Each New Grantor waives notice of the Collateral Agent's acceptance of this Agreement. Each New Grantor will deliver an executed original of this Agreement to the Collateral Agent and Trustee.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first written above.

NEW GRANTORS:

[_____]

By: _____
Name: _____
Title: _____

APPENDIX C

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ODYSSEY TRUST COMPANY as Trustee for the Notes of Jushi Holdings Inc. (the “**Issuer**”)

AND TO: THE ISSUER

The undersigned (A) acknowledges that the sale of _____ (the “**Securities**”) of the Issuer, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (B) certifies that (1) the undersigned is not an “affiliate” (as that term is defined in Rule 405 under the U.S. Securities Act) of the Issuer, except solely by virtue of being an officer or director of the Issuer; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another “designated offshore securities market”, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) none of the seller, any affiliate of the seller or any person acting on their behalf has engaged or will engage in any “directed selling efforts” in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the Securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____ day of _____, 20 ____.

 X
Signature of individual (if Seller **is** an individual)

 X
Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE OR JURISDICTION SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THIS NOTE MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, ASSIGNMENT, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE SECURITIES ACT AND ANY APPLICABLE STATE OR OTHER JURISDICTION SECURITIES LAWS.

JUSHI HOLDINGS INC.

SENIOR SECURED NOTE

JUSHI HOLDINGS INC., a British Columbia corporation (the “*Company*”), for value received, hereby promises to pay to the holder identified on the signature page hereto (the “*Holder*”), the principal amount shown on the signature page hereto (the “*Principal Amount*”), without demand, on the Maturity Date (as hereinafter defined), together with any accrued and unpaid interest due thereon. This Note shall bear interest at a fixed rate of ten percent (10%) per annum, beginning on the Issue Date shown on the signature page hereto, which shall be the date upon which all of the Holder’s funds are received by the Company (the “*Issue Date*”). Interest shall be computed based on a 360-day year of twelve 30-day months and shall be payable quarterly on March 31, June 30, September 30 and December 31. The Principal Amount, together with all accrued and unpaid interest shall be due and payable on the Maturity Date. Payment of all principal and interest due shall be in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time of payment.

This Original Senior Secured Note is a senior secured promissory note referred to in that certain Subscription Agreement that accompanied this Note (the “*Subscription Agreement*”), or series of like subscription agreements, among the Company and the subscribers named therein, pursuant to which the Company is seeking to raise an aggregate of between [●] and [●] (or such higher amount as the Company’s board shall otherwise determine) (the “*Offering*”). This Note is a senior secured obligation of the Company and certain guarantors as more fully described in the Guaranty and Collateral Security Agreement executed by the Company and certain Guarantors

1. DEFINITIONS.

1.1 Definitions. The terms defined in this Section 1 whenever used in this Note shall have the respective meanings hereinafter specified, and the following terms are used herein as defined in the UCC: Deposit Accounts, Inventory and Equipment.

“**2019 Senior Secured Notes**” means the 10% senior secured notes due January 15, 2023 issued by the Company pursuant to, and which are governed by, the terms of the Trust Indenture.

“**Affiliate**” means any Person directly or indirectly controlling, controlled by or under common control with another Person. For purposes of this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Applicable Laws**” means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person’s properties or assets. Notwithstanding the foregoing, neither “Applicable Law” nor “Applicable Laws” shall include the Controlled Substances Act of 1970 or any other law of the United States that would be violated as a result of being a state licensed cannabis business.

“**Bank Indebtedness**” means the principal of, unpaid interest on, and fees, expenses, costs and other amounts due in connection with (i) indebtedness of the Company to banks or commercial finance or other lending institutions regularly engaged in the business of lending money, whether or not secured, and (ii) any such indebtedness or any debentures, notes or other evidence of indebtedness issued in exchange for Bank Indebtedness or any indebtedness arising from the satisfaction of Bank Indebtedness by a Guarantor.

“**Board**” shall mean the Company’s Board of Directors.

“**Business Day**” means a Monday, Tuesday, Wednesday, Thursday or Friday upon which the United States Federal Reserve System is open for business.

“**Change of Control**” shall mean: (i) the acquisition by any person or “group” (as defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) of persons (other than current shareholders and their affiliates) of more than 50% (on a fully-diluted basis) of the combined voting power of the then outstanding voting securities of the Company, regardless of form or structure of acquisition, (ii) a sale of all or substantially all of the assets of the Issuer (on a consolidated basis), or (iii) Current Directors shall cease to constitute at least a majority of the members of the Issuer’s Board.

“**Collateral**” means all of the owned material assets of the Company and each Guarantor, in each case whether owned on the Issue Date or thereafter acquired including, without limitation, all, contract rights, deposits, Deposit Accounts, General Intangibles, Equipment, fixtures, letter-of-credit rights, instruments, Investment Property, documents, commercial tort claims, Intellectual Property and all other assets, wherever located and whether now existing or owned or hereafter acquired or arising, all supporting obligations thereof, and all products and Proceeds thereof, but excluding any Excluded Property.

“**Collateral Agency Agreement**” means that certain Amended and Restated Collateral Agency Agreement executed on November 20, 2020, by and among the Company, the Collateral Agent, the holders of the Related Notes and the Trustee.

“**Collateral Agent**” means Acquiom Agency Services LLC, acting on behalf of the holders of the Related Notes, pursuant to the terms of the Subscription Agreement and Guaranty and Collateral Security Agreement.

“**Copyrights**” means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and all renewals of any of the foregoing.

“**Current Director**” means any member of the Board as of the Issue Date and any successor of a Current Director whose election, or nomination for election by the Issuer’s shareholders, was approved by at least a majority of the Current Directors then on the Board.

“**Default Rate**” shall have the meaning set forth in Section 2.4.

“**Event of Default**” shall have the meaning set forth in Section 7.1.

“**Exchange Notes**” shall have the meaning set forth in the definition of Permitted Indebtedness.

“**Exchange Notes Holder**” shall have the meaning set forth in the definition of Permitted Indebtedness.

“**Excluded Equity**” means: (a) all of the current and future equity interests of the SW Companies; (b) securities of Cresco Labs, Inc. (including any of its successors); (c) the securities of TGS National Holding, LLC and its Subsidiaries and (d) securities of Organigram Holdings Inc. (including any of its successors).

“**Excluded Property**” means, with respect to a the Company and the Guarantors, (a) real property and leaseholds, accounts receivable and Inventory, (b) vehicles, (c) those assets and equity interests as to which the Company shall reasonably determines that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (d) assets or equity interests to which the granting or perfecting of such a security interest would violate any Applicable Law (including, without limitation, any state or local cannabis and cannabis related laws and regulations) or contract or rights of a Person to such assets or equity interests, but only so long as such grant or perfection would violate any such Applicable Law or contract or the rights of a Person to such assets or equity interests, (e) the current and future SW Assets and TGS Assets, (f) any cannabis, cannabis-related, hemp or hemp-related permits or licenses (the “**Licenses**”) issued by any United States of America, Canadian or other Governmental Authority, whether federal, state, provincial, local or otherwise, in each case to the extent such License cannot be transferred pursuant to Applicable Law, provided that: (i) if the Company is permitted at any time to transfer a License, such License shall be pledged by the Company as Collateral hereunder upon the unanimous vote of all of the holders of the Related Notes, and (ii) if the Company is permitted at any time to transfer a License but all the holders of the Related Notes do not unanimously elect for the Company to pledge the applicable License as Collateral hereunder, the Company shall not be permitted to pledge the applicable License to any other Person; (g) assets (including Proceeds and products therefrom) acquired pursuant to subsection (e) of the definition of Permitted Indebtedness; and (h) Excluded Equity.

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, and any agency, branch of government, department or Person exercising executive, legislative, judicial, regulatory or administrative function of or pertaining to government and any corporation or other Person owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, whether domestic or foreign.

“**Guarantors**” means all existing or subsequently acquired or organized direct and/or indirect wholly-owned United States of America and international Subsidiaries of the Company, other than: (a) immaterial Subsidiaries, (b) Sound Wellness Holdings, Inc., and its successors, future parent entities and current and future Subsidiaries (collectively, the “**SW Companies**”); (c) any Subsidiary to the extent that the burden or cost of providing a guaranty outweighs the benefit afforded thereby as reasonably determined by the Company, (d) any Subsidiary acquired by the Company that, at the time of the relevant acquisition, is an obligor in respect of assumed debt to the extent assumed debt prohibits such Subsidiary from providing a guaranty but only for such time that such debt is in existence or such prohibition is in effect, (e) any Subsidiary to the extent the provision of a guaranty by such Subsidiary would result in material adverse tax consequences as determined by the Company in its reasonable discretion in consultation with its tax advisors, (f) any Subsidiary that is prohibited by Applicable Law or contract from providing a guaranty or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guaranty but only for such time that such prohibition is in effect or such consent, approval, license or authorization has not yet been granted, and /or (g) any direct or indirect Subsidiary of the Company that is not wholly-owned by the Company.

“**Guaranty and Collateral Security Agreement**” means that Amended and Restated Guaranty and Collateral Security Agreement executed on November 20, 2020, by and among the Company, certain of its Subsidiaries, the Collateral Agent (on behalf of itself and the holders of the Related Notes) and the Trustee.

“**Holder**” or “**Holders**” means the Person named above or any Person who shall thereafter become a record holder of this Note in accordance with the terms hereof.

“**Intercompany Note**” means any promissory note evidencing loans made by the Company or any Guarantor (or any Subsidiary of the Company or any Guarantor) to the Company or any other Guarantor.

“**Intellectual Property**” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including all Copyrights, Patents and Trademarks, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, provided that Intellectual Property shall not include any Excluded Property.

“**Investment Property**” means the collective reference to all “investment property” as such term is defined in Section 9-102 of the UCC, including all Pledged Notes and all Pledged Equity; provided that Investment Property shall not include any Excluded Property.

“**Issue Date**” means the issue date stated above.

“**License**” shall have the meaning set forth in the definition of Excluded Property.

“**Material Adverse Effect**” means, with regard to a Person, a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property or results of operations of such Person.

“**Maturity Date**” shall mean the earlier to occur of an Event of Default or January 15, 2023.

“**Note**” means this Original Senior Secured Note, as amended, modified or restated.

“**Notes Majority**” means the holders of more than 50% of the aggregate outstanding principal amount of all Related Notes.

“**Offering**” has the meaning set forth in the introductory paragraphs to this Note.

“**Original Senior Secured Note**” means the 10% senior secured notes due January 15, 2023, issued by the Company pursuant to subscription agreements entered into by the Company and the other parties thereto between December 23, 2019 and July 30, 2020.

“**Other Surviving Debt**” shall have meaning set forth in the definition of Permitted Indebtedness.

“**Patents**” means (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing.

“**Permitted Indebtedness**” means any of the following without duplication:

(a) debt represented by the Related Notes; and

(b) debt to refinance all or a portion of or the then outstanding Related Notes (the “**Senior Secured Note Refinancing Debt**”). In the event the Company elects to refinance less than 100% of the then outstanding Related Notes, such Senior Secured Note Refinancing Debt (i) may be guaranteed by the Guarantors to the same extent of the guarantees guarantying the Related Notes, (ii) may be secured by liens on the Collateral to the same extent as the liens securing the Related Notes and guarantees, (iii) may not have a cash interest rate that is higher than the one applicable to the Related Notes, (iv) may not have covenants that are more restrictive with respect to the Company and its Subsidiaries than the covenants contained in the Related Notes, in any material respect, (v) may not have any scheduled maturities (including, without limitation, amortization payments) or put dates prior to 45 days after the stated Maturity Date of the Related Notes (and any change of control, asset sale and other prepayment/redemption provisions therein will provide that the Related Notes are to be repaid prior to such Senior Secured Note Refinancing Debt), and (vi) the aggregate principal amount of the Senior Secured Note Refinancing Debt does not exceed in the aggregate the sum of (1) the aggregate principal amount of Related Notes being refinanced, (2) the amount of accrued but unpaid interest due on the Related Notes being refinanced and any reasonably determined premium, prepayment penalty or similar payment necessary to accomplish any such refinancing, and (3) the amount of reasonable and customary fees, expenses and costs related to obtaining and closing such Senior Secured Note Refinancing Debt); and

(c) Debt (including by assumption of debt resulting from an acquisition), to effectuate asset, stock, mergers and/or other acquisitions approved by the Company’s Board, and any such acquisition debt (i) may be secured by a lien on the assets and/or equity being acquired in the acquisition, provided that the Related Notes are also secured by a lien on such assets and equity subordinated only to the acquisition debt lien which upon repayment of such acquisition debt, the liens on the acquired assets and/or stock securing the Related Notes will automatically become a first priority senior lien, (ii) may be guaranteed by the Guarantors to the same extent as the guarantees on the Related Notes, (iii) may be secured by liens on the Collateral to the same extent as the liens securing the Related Notes, (iv) may not have covenants that are more restrictive with respect to the Company and its Subsidiaries than the covenants contained in the Related Notes and the Guaranty and Collateral Security Agreement, provided that, notwithstanding the foregoing, the entity or entities acquiring assets and/or equity pursuant to such acquisition debt may provide to the applicable seller(s) of such assets and/or equity covenants more restrictive than the covenants contained in the Related Notes and the Guaranty and Collateral Security Agreement, and (v) may not have any scheduled maturities (including, without limitation, amortization payments) or put dates prior to 45 days after the Maturity Date of the Related Notes (and any change of control, asset sale and/or other prepayment provisions therein (whether mandatory or optional) will provide that the Related Notes are to be repaid prior to such indebtedness); and

(d) Debt basket limited to REDACT million at any one time from the sale and leaseback of real estate owned by the Company or any of its Subsidiaries prior to December 23, 2019; provided that the amount of debt incurred by the Company or a Subsidiary in connection with such transaction shall be equal to the proceeds received by the Company or the applicable Subsidiary; and

(e) Debt basket limited to REDACT million at any one time outstanding. Any liens securing such indebtedness shall only apply to the property or assets acquired or improved with the proceeds of such indebtedness. Such property or assets (including Proceeds and products therefrom) will be Excluded Property; and

(f) the secured indebtedness of the Company and its Subsidiaries who are Guarantors to be outstanding immediately following the initial closing of the Offering as set forth on Attachment 2 to the Subscription Agreement, including, for the avoidance of doubt, all contingent and conditional secured indebtedness of the Company arising from or related to any contractual or other obligation of the Company or any Guarantor entered into prior to the Issue Date (the “**Secured Surviving Debt**”), and all other indebtedness of the Company to be outstanding immediately following the initial closing of the Offering, also set forth on Attachment 2, including, for the avoidance of doubt, all contingent and conditional indebtedness of the Company or any Guarantor arising from or related to any contractual or other obligation of the Company entered into prior to the Issue Date (“**Other Surviving Debt**”); and

(g) at the Company’s discretion, approximately REDACT aggregate principal amount of senior secured notes issued by a 3rd party entity and assumed by the Company (the “**Exchange Notes**”) pursuant to a transaction in which the Company acquires a majority interest of TGS Illinois Holdings, LLC, which Exchange Notes may have certain terms and conditions more favorable to the holder thereof (the “**Exchange Notes Holder**”) than the terms and conditions of the Related Notes;

(h) debt incurred in connection with the restructuring of the Exchanges Notes, which may have terms and conditions different or more favorable to the Exchange Notes Holder than the terms of the Related Notes; and

(i) intercompany debt subject to reasonable industry standards as determined by the Company; and

(j) debt owed to trade creditors of the Company or any Subsidiary incurred in the ordinary course of business (including, without limitation, debt incurred in connection with a purchase money security interest); and

(k) debt in connection with the purchase, sale or improvement of real estate (including pursuant to a sale and leaseback transaction), provided that the ownership or right to use or occupy such real estate was acquired by the Company or any of its Subsidiaries after December 23, 2019.

Notwithstanding anything contained herein to the contrary, for purposes of this Note the Company and its Subsidiaries may disregard the provisions of IFRS 16 (Leases) and their respective balance sheets when determining whether a lease constitutes “debt” or “indebtedness”, and may, in good faith, elect to treat such leases as operating expenses.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust, joint venture, unincorporated organization or any government, governmental department or agency or political subdivision thereof.

“**Pledged Equity**” means all the equity interests directly or indirectly held by the Company or any Guarantor in any Subsidiary, together with any other equity interests, certificates, options or rights of any nature whatsoever in respect of the equity interests of any Person that may be issued or granted to, or held by, the Company or

any Guarantor while this Agreement is in effect; provided that Pledged Equity shall not include any Excluded Property (including, without limitation, any Excluded Equity).

“**Pledged Notes**” means all promissory notes issued to or held by the Company or any Guarantor and all Intercompany Notes; provided that Pledged Notes shall not include any Excluded Property including, without limitation, promissory notes evidencing the accounts receivable of the Company or any Guarantor and promissory notes issued to the Company or any Guarantor in connection with extensions of trade credit given by the Company or any Guarantor in the ordinary course of business;

“**Principal Amount**” shall have the meaning set forth in the preamble of this Note.

“**Proceeds**” means all “proceeds” as such term is defined in Section 9-102 of the UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“**Related Notes**” means, collectively, the 2019 Senior Secured Notes and the Original Senior Secured Notes, including this Note.

“**Related Person**” means, with respect to any given Person, any Person that is an officer, director, shareholder, manager, member, partner, employee, investor, personal representative, Affiliate, and the like of such Person or such Person’s Affiliates, including, in the case of any trusts or similar Persons, the trustees and direct and indirect beneficiaries of such trusts or similar Persons.

“**Secured Surviving Debt**” shall have meaning set forth in the definition of Permitted Indebtedness.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Senior Indebtedness**” means: (a) any existing indebtedness or obligation of the Company as of the date hereof that is designated as “senior”, “first,” “primary” (or any comparable term) under any indenture, instrument, or document governing any indebtedness of the Company; or (b) any future Permitted Indebtedness of the Company constituting Bank Indebtedness.

“**Senior Secured Note Refinancing Debt**” shall have the meaning set forth in the definition of Permitted Indebtedness.

“**Subscription Agreement**” shall have the meaning set forth in the introductory language of this Note.

“**Subsidiary**” means, with respect to any Person, a corporation or other entity of which more than fifty percent (50%) of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

“**SW Assets**” means any and all of the assets of the SW Companies.

“**SW Companies**” has the meaning specified in the definition of Guarantor.

“**TGS Assets**” means any and all of the assets of TGS National Holdings, LLC and its Subsidiaries.

“**Trademarks**” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto and (b) the right to obtain all renewals thereof.

“**Trust Indenture**” means that certain trust indenture between the Company and the Trustee dated as of November 20, 2020, providing for the issue of the 2019 Senior Secured Notes.

“**Trustee**” means Odyssey Trust Company, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia and Alberta.

“**UCC**” means the Uniform Commercial Code as in effect on the date hereof and from time to time in the State of New York, provided that if by reason of mandatory provisions of Applicable Law, the perfection or the effect of perfection or non-perfection of the security interests in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy.

2. GENERAL PROVISIONS.

2.1 Loss, Theft, Destruction of Note. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Note, the Company will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Note, a new Note of like tenor and unpaid principal amount dated as of the date hereof. This Note shall be held and owned upon the express condition that the provisions of this Section 2.1 are exclusive with respect to the replacement of a mutilated, destroyed, lost or stolen Note and shall preclude any and all other rights and remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement of negotiable instruments or other securities without their surrender.

2.2 Prepayment; Redemption.

(a) This Note may not be prepaid or redeemed by the Company in whole or in part, except as follows:

(i) Optional Redemptions. (x) *Initiated by the Company.* The Company may at any time and from time to time upon 3 days prior written notice may redeem all or any portion of this Note at par plus accrued interest plus a premium equal to (i) 10% of the aggregate principal amount of this Note being redeemed prior to the first anniversary of the Issue Date, and (ii) 5% of the aggregate principal amount of this Note being redeemed on or after the first anniversary

of the Issue Date but prior to the second anniversary of the Issue Date. The Company (at its option) may redeem all or any portion of this Note at par plus accrued interest (without any premium) on or after the second anniversary of the Issue Date.

(y) *Claw-backs on Equity Sales.* Prior to the twelve (12) month anniversary of the Issue Date, the Company may redeem all or any portion of this Note with up to 33% of the net proceeds received by the Company or any of its Subsidiaries (including the Guarantors) from any equity offerings at a redemption price equal to par plus accrued interest plus a premium equal to (i) 1% of the aggregate principal amount of this Note being redeemed. Warrant exercises do not constitute equity offerings.

(i i) **Mandatory Redemptions.** (x) *Claw-backs on Equity Sales.* Following the twelve (12) month anniversary of the Issue Date, the Company shall repurchase this Note using 33% of the net proceeds from any equity offerings by the Company and/or its Subsidiaries (including the Guarantors), at a purchase price equal to par plus accrued but unpaid interest (no premiums). Warrant exercises do not constitute equity offerings.

(y) *Asset Sales.* The Company shall offer to repurchase this Note at par plus accrued interest with 100% of the net cash proceeds resulting from any (i) non-ordinary course sales or other dispositions of assets consummated by the Company or any Subsidiary, and/or (ii) as a result of casualty or condemnation (each of (i) and (ii), an “**Asset Sale**”), subject to certain limitations including the right of the Company to apply solely during the two (2) year period commencing on the Issue Date and terminating two (2) years thereafter (the “**Reinvestment Period**”), up to, in the aggregate, \$30,000,000 of the net cash proceeds received from one half of all Asset Sales during the Reinvestment Period to (X) restore, rebuild, repair, construct, improve, replace or otherwise acquire assets useful in the Company’s or its Subsidiaries’ business, in each case to the extent constituting a capital expenditure, and/or (Y) consummate Board approved acquisitions (each of (x) and (y) a “**Permitted Reinvestment**”), provided that an offer to purchase pursuant to this sub-paragraph shall only be required to be made if resulting net cash proceeds from an Asset Sale together with all net cash proceeds received from all Asset Sales for the twelve (12) month period (or lesser period depending on the initial date of the Reinvestment Period) preceding such Asset Sale, resulted in aggregate net cash proceeds in excess of \$2,000,000 (in which event 100% of such net cash proceeds shall be required to be applicable); provided further, to the extent required by the documentation governing the Permitted Reinvestment, the Company may apply the net cash proceeds thereof ratably (based on the outstanding principal amounts thereof) to such offer to repurchase this Note and any other Permitted Indebtedness requiring repayment. Notwithstanding the above (i) neither the Company nor any of its Subsidiaries shall be required to use any proceeds from sales (if any) of (a) securities of Cresco Labs, Inc. (including any of its successors, “**CLF**”), and/or (b) the securities of a company to be transferred to the Company pursuant to the agreement to acquire a majority interest of TGS Illinois Holdings, LLC, and (ii) none of such securities nor the proceeds from sales thereof shall constitute Collateral and shall not be subject to any liens relating to the Related Notes.

(z) *Change of Control.* If a Change of Control transaction pursuant to which the Company receives all cash or liquid securities occurs prior to the Maturity Date, at the election of the Holder, the Company shall prepay this Note by paying the Holder 106% of the principal amount of this Note plus all accrued but unpaid interest hereon.

(b) If the Company determines in good faith that any such offer to repurchase this Note (i) in the case of any such offer to repurchase attributable to the Company or any Subsidiary would violate or conflict with any local law (e.g., financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming of cash intra group and the fiduciary and statutory duties of the directors of the relevant Subsidiaries), (ii) would require the Company or any Subsidiary to incur a material and adverse tax liability (including any withholding tax) if such amount were repatriated to the Company as a dividend or (iii) in the case of any such offer to repurchase attributable to any joint venture, would violate any organizational document of such joint venture (or any relevant shareholders’ or similar agreement), in each case, if the amount subject to the relevant offer to repurchase were upstreamed or transferred to the Company as a distribution or dividend (any amount limited as set forth in clauses (i) through (iii) of this paragraph, a “**Restricted Amount**”), the amount of the relevant offer to repurchase shall be reduced by the Restricted Amount; provided, that (A) in the case of any Restricted Amount arising under the circumstances described in clause (i) or (ii) above, the Company shall use commercially reasonable efforts to take all actions required by Applicable Law to permit the repatriation of the relevant amounts to the Company and (B) if the circumstance giving rise to any Restricted Amount ceases to exist within 365 days following the end of the event giving rise to the relevant offer to repurchase, the relevant Subsidiary shall promptly repatriate or distribute the amount that no longer constitutes a Restricted Amount to the Company for application to such an offer to repurchase this Note as required above promptly following the date on which the relevant circumstance ceases to exist; it being understood and agreed that following the expiration of the 365-day period referenced above, the relevant Subsidiary may retain any Restricted Amount, and no such offer to repurchase shall be required in respect thereof.

(c) All optional redemptions, prepayments and payments and all other payments resulting from required offers to repurchase or redeem with regard to this Note shall be paid on a pro-rata basis in respect of each holder of a Related Note, based on the aggregate principal amount of the Related Notes plus accrued and unpaid interest thereon held by such Person as at the record date, divided by the aggregate principal amount of all outstanding Related Notes, plus accrued but unpaid interest thereon.

(d) Each holder of a Related Note shall have the right in its sole discretion to waive its rights to have the Company redeem or repurchase all or any portion of its Related Note, except if such redemption or repurchase is part of a full or partial refinancing of the Related Notes.

2.3 Payment Seniority. The debt evidenced by this Note shall be: (a) subordinated in right of payment to any Senior Indebtedness; (b) *pari passu* in right of payment to the other Related Notes and any Permitted Indebtedness not constituting Senior Indebtedness (including, without limitation, Secured Surviving Debt and Other Surviving Debt not constituting Senior Indebtedness) and: (c) senior to all other indebtedness of the Company.

2.4 Default Rate of Interest. Automatically upon the occurrence and during the continuance of an Even of Default, the interest rate accruing on the outstanding principal amount of the Note shall be three (3)% more than the rate otherwise payable under this Note (the “**Default Rate**”).

3. AFFIRMATIVE COVENANTS OF THE COMPANY

The Company covenants and agrees that so long as the Related Notes or any warrants issued to the Holder (or any of its permitted transferees) in connection with the Offering remain outstanding, the Company shall perform and comply with the covenants of this Article 3.

3.1 Compliance with Laws and contractual Obligations. The Company will (A) comply with and cause each of its Subsidiaries to comply in all material respects with (i) the requirements of all Applicable Laws, rules, regulations and orders of any Governmental Authority (including, without limitation, all laws, rules, regulations and orders relating to taxes, employer and employee contributions, securities, ERISA, environmental protection matters and employee health and safety) as now in effect and which may be imposed in the future in all jurisdictions in which such Person is now doing business or may hereafter be doing business, and (ii) the obligations, covenants and conditions contained in all of the material contractual obligations of each such Person, as applicable, the noncompliance with which could not be reasonably

expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company, and (B) maintain or obtain and cause each of its Subsidiaries to maintain or obtain, all applicable licenses, qualifications and permits now held or hereafter required to be held by such Person, for which the loss, suspension, revocation or failure to obtain or renew, could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company.

3.2 Maintenance of Properties. The Company will maintain and cause its Subsidiaries to maintain in good repair, working order and condition, all material properties used in its businesses and will make or cause to be made all appropriate repairs, renewals and replacements thereof.

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3.3 Organizational Existence. The Company will, and will cause each of its Subsidiaries (other than non-operating or immaterial Subsidiaries) to (A) at all times preserve and keep in full force and effect its organizational existence and all rights and franchises material to such Person's business and leases, privileges, franchises, qualifications and rights that are necessary in the ordinary conduct of its business, and (B) maintain complete and accurate books and records in all material respects regarding such Person's business, operations, meetings of directors and equity holders and all corporate, limited liability company or partnership matters and all corporate, limited liability company or partnership matters.

3.4 Financial Statements and other Reports. Company will maintain and will cause each of its Subsidiaries to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with IFRS (it being understood that monthly financial statements are not required to have footnote disclosures and are subject to normal year-end adjustments). The Company will deliver to each Holder upon written request: (a) as soon as available and in any event within sixty (60) days after the end of each fiscal quarter of the Company, the unaudited consolidated and consolidating balance sheet of the Company and each of its Subsidiaries as at the end of such fiscal quarter; and (b) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year, the consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, audited by certified public accountants selected by the Company.

4. NEGATIVE COVENANTS. While any of the Related Notes are outstanding:

4.1 Indebtedness. The Company will not and will not permit any of its Subsidiaries directly or indirectly to create, incur, assume, or otherwise become or remain directly or indirectly liable with respect to any indebtedness except Permitted Indebtedness.

4.2 Distributions. The Company will not, and will not cause or permit any of its Subsidiaries, to make any cash dividend or distributions in respect of the equity interests of the Company or any of its Subsidiaries, except that (i) a Subsidiary of the Company may declare and pay dividends on its outstanding equity interests to the Company or to a Subsidiary; and (ii) a Subsidiary may declare and pay any cash dividends or distribution it is obligated to pay pursuant to any contractual obligation of such Subsidiary existing prior to the date of this Note. Notwithstanding anything to the contrary provided in this Section 4.2 or elsewhere, nothing contained herein shall prevent the Company from effectuating a distribution of the capital stock of Sound Wellness Holdings, Inc. to the stockholders of the Company.

4.3 Sale of Assets. The Company will not and will not permit any of its Subsidiaries to sell, assign, license, lease, convey, exchange, transfer or otherwise dispose of its property (each, a "**Disposition**") to any other Person, except:

- (a) Dispositions of inventory and other property in the ordinary course of business;
- (b) Dispositions of obsolete or worn-out assets, no longer used or usable in its business;
- (c) Disposition of the Company's and its Subsidiaries equity securities;
- (d) Disposition of real property in a sale-leaseback transaction; and
- (e) Dispositions of property in connection with Permitted Indebtedness, including, without limitations, dispositions of property subject to a lien or other encumbrance senior to the lien or other encumbrance granted to the holders of the Related Notes.

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4.4 Restriction on Fundamental Changes. The Company will not and will not permit any of its Subsidiaries directly or indirectly to: (A) enter into any transaction of merger or consolidation except, that upon not less than ten (10) Business Days prior written notice to the Holders, any wholly owned Subsidiary of the Company may be merged with or into the Company (provided that the Company is the surviving entity) or any other wholly owned Subsidiary of the Company; or (B) liquidate (provided that a Subsidiary may liquidate into the Company), wind-up or dissolve itself (or suffer any liquidation or dissolution); provided that both before and immediately after giving effect to any such acquisition or purchase, no Event of Default shall have occurred and be continuing.

5. STATUS; RESTRICTIONS ON TRANSFER.

5.1 Status of Note. This Note is a direct, general and unconditional obligation of the Company, and constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

5.2 Restrictions on Transferability.

(a) This Note may be sold, transferred, exchanged, assigned, gifted, conveyed, pledged, encumbered, hypothecated or otherwise disposed of, whether directly or indirectly, voluntarily or involuntarily, conditionally or unconditionally, by change of control, operation of law or otherwise, with the prior written consent of the Company (not to be unreasonably withheld, conditioned or delayed); provided no transfer of all or any portion of this Note is made to a Person engaged directly or indirectly in providing goods or services in connection with the growing, processing, manufacturing, distributing, cultivating, producing or selling of marijuana, marijuana-infused products, hemp, hemp-infused products and/or a substantially similar business in two (2) or more states in the United States or one (1) or more states in the United States and one (1) or more foreign jurisdictions (a "**Competitor**"), in which case the approval of the transfer shall be made in the sole discretion of the Company. For the avoidance of doubt, shareholders of a Competitor who own less than a controlling interest in such Competitor or other passive equity holders of a Competitor will not be considered a Competitor for purposes of this Section 5.2(a) as a result of their share or other equity ownership.

(b) This Note has not been registered under the Securities Act, or under any state securities or so-called "blue sky laws," and may not be offered, sold, transferred, hypothecated or otherwise assigned except (i) pursuant to a registration statement with respect to such securities which is effective under the Act or

(ii) upon receipt from counsel satisfactory to the Company of an opinion, which opinion is satisfactory in form and substance to the Company, to the effect that such securities may be offered, sold, transferred, hypothecated or otherwise assigned (x) pursuant to an available exemption from registration under the Act and (y) in accordance with all applicable state securities and so-called “blue sky laws.”

6 . ADDITIONAL COVENANTS. In addition to the other covenants and agreements of the Company set forth in this Note, the Company and the Holder covenant and agree that so long as this Note shall be outstanding:

6.1 Payment of Note. The Company will punctually, according to the terms hereof, pay or cause to be paid all amounts due under this.

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6 . 2 Notice of Default. If any one or more events occur which constitute or which, with the giving of notice or the lapse of time or both, would constitute an Event of Default or if the Holder shall demand payment or take any other action permitted upon the occurrence of any such Event of Default, the Holder will promptly give notice to the Company, specifying the nature and status of the Event of Default or other event or of such demand or action, as the case may be.

6.3 Regulatory Matters.

(a) The Holder acknowledges that the Company and its Affiliates (i) may now or in the future conduct business in an industry that is subject to and exists because of privileged licenses issued by governmental authorities, (ii) are now or may in the future become subject to extensive regulation and oversight, (iii) are now or may in the future be required to adhere to strict laws and regulations regarding vendor and other business relationships, and (iv) may now have or in the future adopt internal controls and compliance policies governing their own activities and those of certain parties with whom they do business.

(b) The Holder acknowledges and agrees that the Company, its Affiliates, and their respective Related Persons may find it necessary, appropriate or desirable to perform background checks, suitability reviews, investigations, inquiries and due diligence with respect to the Holder and its Related Persons to comply with Applicable Laws and the policies of the Company, its Affiliates and their respective Related Persons.

(c) Accordingly, the Holder hereby: (i) authorizes, and agrees to exercise commercially reasonable efforts to cause the Holder's Related Persons to authorize, the Company and its Affiliates and their respective Related Persons to perform, or cause to be performed, such background checks, suitability reviews, investigations, inquiries and other due diligence with respect to the Holder and the Holder's Related Persons (including, without limitation, regarding financial, credit, criminal, litigation, employment, investment, qualification and character matters) as the Company may deem reasonably necessary, appropriate or desirable for the purpose of complying with Applicable Laws and the policies of the Company and its Affiliates and their respective Related Persons or otherwise in furtherance of the business interests of the Company; (ii) agrees to promptly provide, and agrees to exercise commercially reasonable efforts to cause the Holder's Related Persons to promptly provide, to the Company and its Affiliates and their respective Related Persons such information as the Company may reasonably request for the purpose of performing the foregoing background checks, suitability reviews, investigations, inquiries and other due diligence; (iii) if requested by the Company or any applicable regulatory authority in connection with the business of the Company or any of its Affiliates, agrees to submit to investigation by the applicable regulatory authorities and cooperate with any reasonable requests made by the Company or such regulatory authorities (including filing requested forms and delivering information regarding the Holder and the Holder's Related Persons), and agrees to exercise commercially reasonable efforts to cause the Holder's Related Persons to do the same; and (iv) agrees to cooperate, and agrees to exercise commercially reasonable efforts to cause the Holder's Related Persons to cooperate, with any reasonable requests made by the Company in connection with any of the foregoing.

(d) The Holder shall (and shall cause the Holder's Related Persons to) act in good faith, cooperate, furnish documents and information and take such additional actions or efforts as may be reasonably requested by the Company for the purpose of applying for, obtaining, renewing and maintaining such licenses, approvals, permits and entitlements as the Company deem necessary or desirable for the operation of the respective businesses of the Company and its Affiliates. Promptly upon the reasonable request of the Company, the Holder shall (and shall cause the Holder's Related Persons to) prepare, submit and process any license applications and other materials as the Company deems reasonably necessary from time to time in connection with any licenses, approvals, permits or entitlements held or sought by the Company or any of its Affiliates.

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(e) To the extent that the business or affairs of the Company or its Affiliates are the sole cause of a regulatory review or investigation of the Holder or, if approved by the Company, any of the Holder's Related Persons, to, all reasonable fees, costs and expenses directly attributable thereto shall be borne or reimbursed by the Company (to the extent not borne or reimbursed by the applicable Affiliate of the Company) upon presentation of supporting documentation of the amount and purpose of such fees and expenses reasonably acceptable to the Company.

6 . 4 Use of Proceeds. The Company shall use the proceeds of this Note for the repayment of existing debt of the Company and its Affiliates plus accrued and unpaid interest and related items thereon and for general working capital purposes and such other purposes as may be determined by the Company's board of directors, including capital expenditures and potential strategic acquisitions.

7. EVENTS OF DEFAULT; REMEDIES.

7.1 Events of Default. “*Event of Default*” wherever used herein means any one of the following events:

(a) default in the due and punctual payment of the principal of, or any other amount owing in respect of (including interest), this Note when and as the same shall become due and payable; provided that the Company shall be provided with a twenty (20) Business Day cure period for nonpayment of interest, fees or amounts other than principal on the Note, after there has been given to the Company by the Holder a written notice specifying such default and requiring it to be remedied;

(b) default in the performance or observance of any covenant or agreement of the Company in this Note (other than a covenant or agreement a default in the performance of which is specifically provided for elsewhere in this [Section 7.1](#)), and the continuance of such default for a period of thirty (30) days after there has been given to the Company by the Holder a written notice specifying such default and requiring it to be remedied, provided that, if the Company uses commercially reasonable efforts to cure such default within such thirty (30) day period but cannot cure said default during such thirty (30) day period, the Company shall have such time as is necessary to cure such default provided the Company maintains commercially reasonable efforts to cure such default beyond the initial thirty (30) day cure period;

(c) any representation or warranty made by the Company to Holder herein is materially incorrect in any respect on the date such representation or warranty was made;

(d) an event of default by the Company under any material debt financing agreement (which, for the avoidance of doubt, shall include the

Related Notes and the Guaranty and Collateral Security Agreement, and shall exclude any intercompany debt including, without limitation, any Intercompany Notes); provided that any Company default under any such agreement that is related to the Company's reasonable opinion that the counterparty to such agreement has materially breached its obligations thereunder shall not be considered a default hereunder;

(e) the entry of a decree or order by a court having jurisdiction adjudging the Company as bankrupt or insolvent; or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 calendar days;

(f) the institution by the Company of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors;

(g) the Company proposes in writing or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any group or class thereof or files a petition for suspension of payments or other relief of debtors or a moratorium or statutory management is agreed or declared in respect of or affecting all or any material part of the indebtedness of the Company; or

(h) it becomes unlawful for the Company to perform or comply with its obligations under the Related Notes.

7 . 2 Declaration of Default; Exercise of Remedies. By acceptance hereof, the Holder acknowledges and agrees that this Note is one of a series of Related Notes and that in order to declare an Event of Default hereunder, the holders of Related Notes representing the Notes Majority, or the Trustee representing the Notes Majority shall be required to provide a properly executed written notice to the Company (a "**Default Notice**"), which shall specify (i) that an Event of Default is being declared; (ii) the particular Event of Default hereunder being declared; and (iii) the actions of the Company underlying the Event of Default. If an Event of Default has been declared pursuant to a properly delivered Default Notice, then and in every such case the Notes Majority may: (a) declare the Related Notes to be due and payable immediately, and upon any such declaration, the Company shall pay to the holders of all Related Notes the outstanding balance of principal and accrued interest under the applicable holder's Related Notes, and (b) direct the Collateral Agent to act on behalf of the holders of all Related Notes in exercising and enforcing all rights and remedies available to all of such holders of Related Notes, including this Note, and including, without limitation, foreclosure of any judgment lien on any assets of the Company.

7.3 Remedies Not Waived. No course of dealing between the Company and the Holder or any delay in exercising any rights hereunder shall operate as a waiver by the Holder. No failure or delay by the Holder in exercising any right, power or privilege under this Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

8. REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to Holder, as of the date hereof, that:

8 . 1 Organization, Good Standing, Power and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of British Columbia, Canada and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which it is required to be qualified.

8 . 2 Authorization; No Breach; Valid and Binding Agreement. The execution, delivery and performance of this Note by the Company and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action and no other corporate proceedings on the Company's part are necessary to authorize the execution, delivery or performance of this Note. The execution, delivery and performance of this Note by the Company and the consummation by the Company of the transactions contemplated hereby do not conflict with, constitute a default under or result in a breach or violation of, the provisions of the Company's certificate of incorporation or bylaws. This Note has been duly executed and delivered by the Company and, assuming that this Note is a valid and binding obligation of Holder, constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

8.3 Consents. No consent, approval or authorization of, or declaration to or filing with, any Governmental Authority is required to be obtained by the Company in connection with the execution, delivery or performance of this Note by the Company or the consummation of the transactions contemplated hereby.

9. MISCELLANEOUS.

9 . 1 Severability. If any provision of this Note shall be held to be invalid or unenforceable, in whole or in part, neither the validity nor the enforceability of the remainder hereof shall in any way be affected.

9 . 2 Notice. Where this Note provides for notice of any event, such notice shall be given (unless otherwise herein expressly provided) in writing and either (a) delivered personally, (b) sent by certified, registered or express mail, postage prepaid or (c) sent by facsimile or other electronic transmission, and shall be deemed given when so delivered personally, sent by facsimile or other electronic transmission (confirmed in writing) or mailed. Notices shall be addressed, if to the Company, to its then principal office, or if to the Holder, to its address as provided in the Subscription Agreement or such other address as may be specified by the Holder in a written notice delivered to the Company under this Section 9.2.

9 . 3 Governing Law. This Note shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to any conflicts or choice of law provisions that would cause the application of the domestic substantive laws of any other jurisdiction).

9 . 4 Jurisdiction. THE COMPANY AND THE HOLDER EACH (a) HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE STATE AND CITY OF NEW YORK FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS NOTE; (b) AGREE NOT TO COMMENCE ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS NOTE EXCEPT IN THE ABOVE-NAMED COURTS; AND (c) HEREBY WAIVE, AND AGREE NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY

TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT.

9.5 Headings. The headings of the Articles and Sections of this Note are inserted for convenience only and do not constitute a part of this Note.

9.6 Amendments. This Note may be amended or waived only with the written consent of the Company and the Holder or, whether or not agreed to by the Holder, with the written consent of the Company and the Notes Majority. Any amendment or waiver consented to in writing by the Company and the Notes Majority shall be binding on all holders of the Related Notes, including this Note, even if they do not execute or agree to such consent, amendment or waiver themselves.

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9.7 No Recourse Against Others. The obligations of the Company under this Note are solely obligations of the Company and no officer, employee, stockholder or director of the Company shall be liable for any failure by the Company to pay amounts on this Note when due or perform any other obligation.

9.8 Assignment; Binding Effect. This Note may be assigned by the Company without the prior written consent of the Holder in the event of a Change of Control but shall be subject to the restrictions on transfer and assignment by the Holder as set forth in Section 5.2. This Note shall be binding upon and inure to the benefit of both parties hereto and their respective permitted successors and assigns.

9.9 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

9.10 Tax Treatment. The Company intends, and Holder has agreed, to (i) treat this Note as debt for all U.S. federal and applicable state, local income and similar tax purposes, (ii) not take any tax reporting position inconsistent with such tax treatment, and (iii) file all U.S. federal and applicable state, local income and similar tax returns and reports with respect to the Notes in a manner consistent with such treatment. The Company shall be entitled to withhold from all payments made under this Note all amounts which are required to be withheld and remitted in respect of taxes. Any amounts so withheld shall be treated for purposes of this Note as having been paid to the person in respect of whom such withholding was made.

9.11 Collateral; Release. The Holder acknowledges and agrees that if and to the extent that the Secured Surviving Debt transaction documents prohibit the Related Notes from being secured by pari passu liens on the Collateral securing the Secured Surviving Debt, the Related Notes (to the extent not prohibited by the Secured Surviving Debt transaction documents), will be secured by a senior subordinated lien on the Collateral so that upon repayment of such Secured Surviving Debt, the senior subordinated lien on the Collateral securing the Related Notes and guarantees shall become a senior secured lien on the Collateral (subject only to liens securing other Permitted Indebtedness). The Guaranty and Collateral Security Agreement sets forth the terms of conditions of the release of Collateral from the liens created thereby, including the release with the consent of the Notes Majority, release upon payment in full of the Related Notes and release upon the disposition of Collateral by the Company or its Subsidiaries in accordance with the terms of this Note.

9.12 Note Terms and Conditions. The Holder acknowledges and agrees that certain of the 2019 Senior Secured Notes, which may be held by the Exchange Notes Holder, may have terms or conditions that are, individually or in the aggregate, more favorable to the Exchange Notes Holder than the terms or conditions of this Note, including, without limitation, with respect to terms governing repayment.

17
Senior Secured Note

9.13 APPOINTMENT OF TRUSTEE AS AGENT. The Holder hereby appoints the Trustee as its agent to act on behalf of the Holder on all matters arising from, relating to or in connection with the rights or obligations of the Notes Majority as set forth in the Trust Indenture, the Related Notes, the Guaranty and Collateral Security Agreement, the Collateral Agency Agreement and all such other documents or instruments executed in connection with the transactions contemplated by any of the foregoing.

9.14 AMENDED AND RESTATED NOTE. The Holder acknowledges and agrees that, pursuant to the written consent of the Notes Majority, this Note amends and restates in its entirety the Original Senior Secured Note issued to the Holder on [●].

9.15 NOTICE OF DEVELOPMENTS. As soon as reasonably practical following receipt, the Company shall provide to the Holder any and all documents, notices, and other correspondence received by the Company from the Trustee that the Company reasonably determines to be relevant to the performance or observance of any duties or obligations of the Company under this Note. For the avoidance of doubt, any written notice provided to the Company in relation to an event that is, or with the passage of time or the giving of notice or both would be, an event of default under the 2019 Senior Secured Notes is relevant to the performance of the obligations of the Company under this Note.

Signatures on the Following Page

18
Senior Secured Note

In Witness Whereof, the Company and the Holder have caused this Note to be signed by their duly authorized representatives on the date hereinabove written.

JUSHI HOLDINGS INC.

By: _____
Name: _____
Title: _____

Issue Date: _____

Company Signature Page Promissory Note

ACKNOWLEDGED AND AGREED:

HOLDER:

(Printed Name of the Holder)

(Signature: by authorized officer if a corporation; by authorized member or manager if a limited liability company; by general partner if a partnership; by owner of a sole proprietorship; by the trustee if a trust, by the Holder if an individual)

(Title, if signing on behalf of an entity)

(Principal Amount of Note in US Dollars)

Holder Signature Page Promissory Note

CREDIT AGREEMENT

by and among

JUSHI HOLDINGS INC.,
as Borrower,**THE OTHER LOAN PARTIES THAT ARE PARTY HERETO,****THE LENDERS THAT ARE PARTY HERETO**
as the Lenders,

and

ROXBURY, LP,
as Agent**Dated as of October 20, 2021**

THIS INDEBTEDNESS GOVERNED HEREBY HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR U.S. FEDERAL INCOME TAX PURPOSES. FOR FURTHER INFORMATION REGARDING THE ISSUE PRICE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, THE ISSUE DATE AND THE YIELD TO MATURITY OF SUCH INDEBTEDNESS, THE HOLDER OF THIS NOTE SHOULD CONTACT THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF JUSHI HOLDINGS INC. AT 301 YAMATO ROAD, SUITE 3250, BOCA RATON, FLORIDA 33431 WHO WILL PROMPTLY MAKE SUCH INFORMATION AVAILABLE.

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ANNEXES, EXHIBITS AND SCHEDULES

Exhibit A	Form of Assignment and Acceptance
Exhibit B	Form of Compliance Certificate
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Exhibit D	Form of Term Loan Request
Exhibit E	Form of Acquired Financed Loan Party Security Agreement
Schedule A-1	Agent's Account
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CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this “Agreement”), is entered into as of October 20, 2021 by and among **JUSHI HOLDINGS INC.**, a company organized under the laws of the Province of British Columbia (“Borrower”), the other Loan Parties that are party hereto from time to time, the lenders identified on the signature pages hereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a “Lender” and collectively as the “Lenders”), and **ROXBURY, LP**, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, “Agent”).

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.** Capitalized terms used and not otherwise defined in this Agreement shall have the meanings assigned to such terms below (except to the extent such defined terms is expressly stated to be as defined in the Senior Notes):

“Acquired Financed Loan Party” or “Acquired Financed Loan Parties” means each Loan Party that is acquired by the Borrower or its Subsidiaries pursuant to the Specified Acquisition or a Permitted Acquisition and that is financed, in whole or in part, with Term Loans.

“Acquired Financed Loan Party Collateral” shall mean all assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Acquired Financed Loan Party.

“Acquired Financed Loan Party Guaranty and Security Agreement” means any Guaranty and Security Agreement executed and delivered to Agent by an Acquired Financed Loan Party as may be required pursuant to Section 6.11 hereof with respect to any Permitted Acquisition, for the benefit of the Lender Group, which shall provide that: (1) that the Lender Group shall be entitled to a first priority Lien on all Acquired Financed Loan Parties Collateral; (2) that the existing holders of the Senior Notes shall be entitled to a Lien on all Acquired Financed Loan Party Collateral subordinated only to the Lien of the Lender Group, and which upon repayment of the Term Loans will automatically become a first priority Lien, and (3) be in substantially the form attached hereto as Exhibit E.

“Acquired Financed Loan Party Leasehold Property” means any leasehold interest of any Acquired Financed Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Agent in its sole discretion as not being required to be included in the Collateral.

“Acquired Financed Loan Party Mortgage” means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by any Acquired Financed Loan Party in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber any Acquired Financed Loan Party Real Property.

“Acquired Financed Loan Party Mortgage Supporting Documents” means, with respect to each Acquired Financed Loan Party Mortgage for a parcel of Acquired Financed Loan Party Real Property, each of the following:

(i) evidence in form and substance reasonably satisfactory to Agent that the recording of counterparts of such Acquired Financed Loan Party Mortgage in the recording offices specified in such Acquired Financed Loan Party Mortgage will create a valid and enforceable first priority lien on the property described therein in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve;

(ii) a lender’s Title Insurance Policy dated a date reasonably satisfactory to Agent, which shall (A) be in an amount not less than the appraised value (determined by reference to an appraisal) of such parcel of Acquired Financed Loan Party Real Property in form and substance satisfactory to Agent, but subject to the limitations imposed by the approved Title Insurance Company, (B) insure that the Lien granted pursuant to the Acquired Financed Loan Party Mortgage insured thereby creates a valid first Lien on such parcel of Acquired Financed Loan Party Real Property free and clear of all defects and encumbrances, except for Liens permitted hereunder and for such defects and encumbrances as may be approved by Agent, (C) name Agent as the insured thereunder, (D) contain such endorsements as Agent deems reasonably necessary to the extent available from the Title Insurance Company in the State where the Acquired Financed Loan Party Real Property is located, and I be otherwise in form and substance reasonably satisfactory to Agent;

(iii) copies of a recent ALTA survey of such parcel of Acquired Financed Loan Party Real Property in form and substance satisfactory to Agent, but in any event allowing for the Title Insurance Policy to be issued without a standard survey exception and with same as survey endorsement to the extent available from the Title Insurance Company in the State where the Acquired Financed Loan Party Real Property is located;

(iv) evidence in form and substance reasonably satisfactory to Agent that all premiums in respect of the lender’s Title Insurance Policy, all recording fees and stamp, documentary, intangible or mortgage taxes, if any, in connection with the Acquired Financed Loan Party Mortgage have been paid;

(v) concurrent with the delivery of any Acquired Financed Loan Party Mortgage with respect to a Acquired Financed Loan Party Real Property, (i) if the improvements to the applicable improved property is located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a “Flood Hazard Property”), a written notification thereof to the Borrower (“Borrower Notice”), (ii) the Borrower’s written acknowledgment of receipt of Borrower Notice as to the fact that such Acquired Financed Loan Party Real Property is a Flood Hazard Property and as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (iii) if the Borrower Notice is required to be given and flood insurance is available in the community in which the applicable Acquired Financed Loan Party Real Property is located, copies of the applicable Acquired Financed Loan Party’s application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued and naming Agent as loss payee on behalf of the Lender Group; and

(vi) such other agreements, documents and instruments in form and substance reasonably satisfactory to Agent as Agent deems necessary or appropriate to create, register or otherwise perfect, maintain, evidence the existence, substance, form or validity of, or enforce a valid and enforceable first priority lien on such parcel of Acquired Financed Loan Party Real Property in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve.

“Acquired Financed Loan Party Real Property” means any estates or interests in real property now owned or hereafter acquired by any Acquired Financed Loan Party and the improvements thereto.

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“Acquired Non-Financed Parties” means each Subsidiary that is acquired by the Borrower or its Subsidiaries pursuant to a Permitted Acquisition that is not an Acquired Financed Loan Party.

“Acquired Non-Financed Party Guaranty and Security Agreement” means any Guaranty and Security Agreement executed and delivered to Agent by an Acquired Non-Financed Party as may be required pursuant to Section 6.11 hereof, for the benefit of the Lender Group, which shall provide that: (1) that the Lender Group shall be entitled to a Lien on all Acquired Non-Financed Party Collateral which shall (x) be *pari passu* with the Lien on such assets of the Senior Notes Refinancing Lender(s) and (y) otherwise be senior to all other Liens other than Permitted Priority Liens; and (2) the Lender Group’s Lien will, upon repayment of the loans financing the Permitted Acquisition of the relevant Acquired Non-Financed Party, will automatically become a first priority Lien.

“Acquired Non-Financed Party Collateral” shall mean all assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Acquired Non-Financed Party.

“Acquired Party” or “Acquired Parties” means the Acquired Financed Loan Parties and the Acquired Non-Financed Parties, or any of them individually.

“Additional Documents” has the meaning specified therefor in Section 6.13.

“Additional Term Loans” has the meaning specified therefor in Section 2.1(b).

“Adjusted EBITDA” means, with respect to any period,

1. EBITDA,

minus

(a) without duplication, the sum of the following amounts of Borrower and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) extraordinary non-recurring or unusual gains and income, and

(ii) non-cash items increasing consolidated net earnings for such period including in connection with any earn-out or conditional consideration payable in connection with a Permitted Acquisition (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), and

(iii) interest income,

(b) without duplication, the sum of the following amounts of Borrower and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

- (i) non-recurring non-cash charges, losses or expenses or other extraordinary costs and expenses, including for goodwill writeoffs and write downs;
- (ii) non-cash compensation expense, or other non-cash expenses or charges in each case arising from the granting of stock options, stock appreciation rights, restricted stock, or similar arrangements;
- (iii) the amount of any minority interest expense attributable to minority interests of third parties in the positive income of any non-wholly owned Subsidiary;
- (iv) the amount of “run-rate” cost savings, operating expense reductions and synergies (collectively, “Cost Savings”) projected by the Borrower in good faith to result from actions taken, committed to be taken or expected in good faith to be taken with respect to integrating, consolidating or discontinuing operations, headcount reductions, closure of facilities or Permitted Acquisition within twelve (12) months thereafter, net of the amount of actual benefits realized during such period from such actions; *provided*, that such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable and set forth in an officer’s certificate delivered to Agent;
- (v) any expenses, charges or losses to the extent covered and actually reimbursed by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or sale, conveyance, transfer or other disposition of assets permitted under this Agreement;
- (vi) expenses, charges or losses with respect to liability or casualty events or business interruption to the extent covered and actually reimbursed by insurance;
- (vii) non-cash compensation, fees and expense reimbursements paid to board directors to the extent permitted under Section 7.1;
- (viii) (A) transaction fees and transaction expenses incurred in connection with the repayment or redemption of the Senior Notes and (B) reasonable and documented out-of-pocket fees and expenses incurred in connection with any amendments, consents or waivers to or under this Agreement and any other Loan Document or the negotiation, execution and delivery of additional Loan Documents
- (ix) transaction expenses incurred in connection with a Permitted Investment or a Permitted Acquisition (irrespective of whether such Permitted Acquisition is consummated, subject to a maximum of 10% of EBITDA for non-consummated transactions), including any refinancing of (or amendment to) any Indebtedness acquired or assumed in connection with such Permitted Investment or Permitted Acquisition);
- (x) transaction expenses incurred in connection with (A) any actual or proposed issuance of Indebtedness permitted hereunder (regardless of whether consummated), (B) the issuance of any Restricted Payments or equity permitted hereunder (including for the avoidance of doubt any actual or proposed offering of equity securities of the Borrower) (C) the making of any Permitted Disposition; (D) Borrower’s registration as a reporting issuer in the United States pursuant to the Exchange Act or (E) any actual or proposed public or private offering of Stock;
- (xi) other cash charges and expenses approved in writing by Agent in its sole discretion;
- (xii) [reserved]

- (xiii) any other non-cash charges, including any write-offs, write-downs, expenses, losses, impairment charges and the impact of purchase accounting, including in connection with inventory or any earn-out or conditional consideration payable in connection with a Permitted Acquisition, but excluding (A) any write-off or write-down of accounts receivable, and (B) amortization of a prepaid cash item that was paid in a prior period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from EBITDA to such extent);
- (xiv) start-up or initial costs for any project or new production line, division or new line of business or other business optimization expenses, including, without limitation, costs or reserves associated with improvements to information technology functions, integration and facilities opening costs, costs relating to entry into a new state, project startup costs, costs relating to any strategic initiative or new operations and conversion costs and any business development, consulting or legal costs and fees relating to the foregoing;
- (xv) integration costs in connection with any Permitted Acquisition or Permitted Investment, including severance costs, noncompetition and non-solicitation costs, retention and completion bonuses, business optimization expenses, transition costs, costs related to the closure, relocation and/or consolidation of offices and facilities (including the termination or discontinuance of activities constituting a business or business unit), contract termination costs, recruiting, signing and completion bonuses and expenses, systems establishment costs, conversion costs, excess pension charges and curtailments or modifications to pension and post-retirement employee benefit plans;
- (xvi) non-recurring litigation and arbitration costs, charges, fees and expenses (including payments of legal settlements, fines, judgments or orders) exceeding \$1,000,000;
- (xvii) costs related to restructurings, including severance, recruiting, contract termination, relocation, integration, information technology investment and other costs and expenses;
- (xviii) non-cash fair value adjustments, including those resulting from purchase accounting, to inventory sold and biological assets, including cannabis plants, measured at fair value less cost to sell up to the point of harvest;
- (xix) non-cash fair value adjustments to derivative instruments; and

(xx) non-cash fair value adjustments to unrealized gains or losses on financial assets or liabilities, including but not limited to modification or extinguishment of Indebtedness, or modification of warrants or exchangeable shares of the Borrower and its Subsidiaries; provided that the aggregate amounts added back pursuant to clauses (c)(iv), (xiv), (xv) (solely to the extent such costs are paid in cash) and (xvii) (solely to the extent such costs are paid in cash) shall not exceed an amount equal to fifteen percent (15%) of Adjusted EBITDA as determined without giving effect to such clauses.

For the purpose of calculating EBITDA and Adjusted EBITDA for any period, if during such period the Borrower or any Subsidiary shall have consummated a Permitted Acquisition, EBITDA and Adjusted EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Permitted Acquisition occurred on the first day of such period.

“Affected Lender” has the meaning specified therefor in Section 2.11(b).

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“Affiliate” means, as applied to any Person, any other Person that controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Stock, by contract, or otherwise; *provided that*, for purposes of Section 7.10 only: (a) any Person which owns directly or indirectly ten percent (10.00%) or more of the Stock having ordinary voting power for the election of directors or other members of the governing body of a Person or ten percent (10.00%) or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person; and *provided further, that* in no event shall Agent, any Lender or their respective Affiliates be deemed to be Affiliates of any Loan Party for any purpose whatsoever.

“Agent” has the meaning specified therefor in the preamble to this Agreement.

“Agent-Related Persons” means Agent, together with its Affiliates, officers, directors, employees, attorneys and agents.

“Agent’s Account” means the Deposit Account of Agent identified on Schedule A-1 (or such other Deposit Account of Agent that has been designated as such, in writing, by Agent to the Borrower and the Lenders).

“Agent’s Liens” means the Liens granted by the Loan Parties to Agent under the Loan Documents securing or purporting to secure the Obligations for the benefit of the Lender Group.

“Agreement” has the meaning specified therefor in the preamble to this Agreement.

“Applicable Law” means any applicable United States or foreign federal, state, or local statute, law, ordinance, regulation, rule, code, order (whether executive, legislative, judicial or otherwise), judgment, injunction, notice, decree or other requirement or rule of law or legal process, or any other order of, or agreement issued, promulgated or entered into by any Governmental Authority, in each case related to the conduct and business of the applicable Person, including but not limited to any applicable Sanctions Laws, Money Laundering Laws or Environmental Laws; *provided, however*, that “Applicable Law” shall exclude all Federal Cannabis Laws.

“Applicable Accounting Standards” means (a) initially, IFRS applied on a basis consistent with the most recent audited financial statements of the Borrower and its consolidated Subsidiaries; and (b) upon the Borrower’s election to use GAAP for financial reporting purposes commencing with the third fiscal quarter of fiscal year 2021, references herein to “Applicable Accounting Standards” shall thereafter be construed to mean (i) for the third and fourth fiscal quarters of fiscal year 2021 of the Borrower, IFRS or GAAP as the Borrower may elect (provided that to the extent the Borrower elects to use IFRS during such periods during which GAAP is available, the Borrower will provide Agent a reconciliation to GAAP) and (ii) for all periods thereafter, GAAP.

“Application Event” means the occurrence of (a) a failure by the Borrower to repay all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full on the Maturity Date, (b) an Event of Default described in Section 9.1(d) or Section 9.1(e), or (c) any other Event of Default, subject to the expiration of any applicable cure period, and the election by the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.3(b)(ii).

“Assignee” has the meaning specified therefor in Section 15.1(a).

“Assignment and Acceptance” means an Assignment and Acceptance Agreement substantially in the form of Exhibit A to this Agreement.

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“Auditor” means Marcum LLP, or any other independent certified public accountant reasonably acceptable to Agent.

“Authorized Person” means any one of the individuals identified on Schedule A-2, as such schedule is updated from time to time by written notice from the Borrower to Agent and the Lenders.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Code” means title 11 of the United States Code, as in effect from time to time.

“Benefit Plan” means (i) any “defined benefit plan” (as defined in Section 3(35) of ERISA) for which Borrower or any of its Subsidiaries or ERISA Affiliates has been an “employer” (as defined in Section 3(5) of ERISA) within the past six (6) years and (ii) any Foreign Plan.

“Board of Directors” means, as to any Person, the board of directors (or comparable governing body) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable governing body).

“Board of Governors” means the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Borrower” has the meaning specified therefor in the preamble to this Agreement.

“Business Day” means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of Florida.

“Cannabis Law” means any applicable state, or local statute, law, ordinance, regulation, rule, code, order (whether executive, legislative, judicial or otherwise), judgment, injunction, notice, decree or other requirement or rule of law or legal process, or any other order of, or agreement issued, promulgated or entered into by any Governmental Authority, in each case related to the cultivation, manufacture, development, distribution, or sale of cannabis or products containing cannabis, but explicitly excluding Federal Cannabis Laws.

“Cannabis License” means all permits, licenses, registrations, variances, land-use rights, clearances, consents, commissions, franchises, exemptions, orders, authorizations, and approvals from Governmental Authorities authorizing the recipient to conduct business in accordance with the Cannabis Laws of each applicable jurisdiction including specifically applicable licenses required by the Cannabis Laws in each state in which a Loan Party operates.

“Capital Expenditures” means, with respect to any Person for any period, the aggregate amount of all expenditures by such Person during such period that are capital expenditures as determined in accordance with Applicable Accounting Standards, whether such expenditures are paid in cash or financed.

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“Cash Equivalents” means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one (1) year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor’s Rating Group (“S&P”) or Moody’s Investors Service, Inc. (“Moody’s”), (c) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody’s, (d) certificates of deposit, time deposits, overnight bank deposits or bankers’ acceptances maturing within one (1) year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than one hundred million Dollars (\$100,000,000), (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than five hundred million Dollars (\$500,000,000), having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

“Cash Management Services” means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

“Change of Control” means:

(a) Prior to or on the Senior Notes Termination Date:

(i) the acquisition by any person or “group” (as defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) of persons (other than current shareholders and their Affiliates) of more than 50% (on a fully-diluted basis) of the combined voting power of the then outstanding voting securities of Borrower, regardless of form or structure of acquisition,

(ii) a sale of all or substantially all of the assets of the Borrower (on a consolidated basis), or

(iii) Current Directors shall cease to constitute at least a majority of the members of Borrower’s Board of Directors.

(b) After the Senior Notes Termination Date:

(i) a transaction in which any “person” or “group” (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of more than 45% (in each case on a fully-diluted basis) of the aggregate voting or aggregate economic interests in the Borrower;

(ii) a sale of all or substantially all of the assets of the Borrower (on a consolidated basis);

(iii) the Borrower ceases to beneficially and of record own and control, directly or indirectly, free and clear of all Liens other than Permitted Liens (including without limitation Liens incurred in connection with Permitted Acquisitions), one hundred percent (100.00%) of the issued and outstanding shares of each class of capital Stock of any Loan Party other than the Borrower, provided, however, that any Permitted Disposition shall not constitute a Change of Control for purposes of this definition;

(iv) the Current Directors shall cease to constitute at least a majority of the members of the Borrower’s Board of Directors; or

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(c) on or after the Senior Notes Termination Date, the occurrence of a change in control, or other similar provision, as defined in any document governing any Material Indebtedness triggering a default, mandatory prepayment or mandatory repurchase offer, which default, mandatory prepayment or requirement to make a mandatory repurchase offer has not been waived in writing.

“Closing Date” means October 20, 2021.

“Code” means the New York Uniform Commercial Code, as in effect from time to time.

“Collateral” shall mean (i) prior to or on the Senior Notes Termination Date, the Senior Notes Collateral (excluding for the avoidance of doubt, Excluded Property) and any Acquired Financed Loan Party Collateral; and (ii) after the Senior Notes Termination Date, all of the Loan Parties’ right, title and interest in and to all personal property of such Loan Party whether now owned or existing or hereafter acquired or arising and wherever located, including without limitation all Acquired Financed

Loan Party Collateral and (solely after the Senior Notes Termination Date) all Acquired Non-Financed Party Collateral (subject to Permitted Priority Liens).

“Commitments” means with respect to each Lender, its commitment to make the Term Loans pursuant to the terms of this Agreement, and, with respect to all Lenders, their commitments to make the Term Loans pursuant to the terms of this Agreement, in each case as such Dollar amounts are set forth beside such Lender’s name under the applicable heading on Schedule C-1 to this Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 15.1.

“Competitor” means any direct competitor of the Borrower or any Loan Party constituting (i) a licensed multi-state operator engaged in the cultivation, manufacturing, production, distribution or retail sale of cannabis or cannabis-related products, or (ii) a licensed single-state operator engaged in the cultivation, manufacturing, production, distribution or retail sale of cannabis or cannabis-related products in a State in which the Borrower or any Subsidiary operates, and any Affiliate thereof that has a controlling interest in such multi-state operator or single-state operator.

“Compliance Certificate” means a certificate substantially in the form of Exhibit B to this Agreement delivered, on behalf of the Borrower, by the chief financial officer or chief executive officer of the Borrower to Agent and the Lenders.

“Control Agreement” means, with respect to any Deposit Account, Securities Account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance reasonably satisfactory to Agent, among Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Loan Party maintaining such account or owning such entitlement or contract, effective to grant “control” (within the meaning of Articles 8 and 9 under the applicable UCC) over such account to Agent.

“Cost Savings” has the meaning specified therefor in the definition of Adjusted EBITDA.

“Cure Amount” has the meaning specified therefor in Section 8.3.

“Cure Quarter” has the meaning specified therefor in Section 8.3.

“Current Director” means any member of the Board of Directors of the Borrower as of the Closing Date and (i) any Person occupying a vacant position on the Board of Directors of the Borrower or (ii) any successor of a Current Director, in each case whose election, or nomination for election by the Borrower’s shareholders, was approved by at least a majority of the Current Directors then on the Board of Directors.

“Debt Service Coverage Ratio” means, as of any date of determination, the ratio of (i) Adjusted EBITDA for the consecutive four (4) fiscal quarter period ended as of such date, to (ii) the aggregate amount of all payments of principal and interest in whatever form for all Indebtedness due or made by the Borrower and its consolidated Subsidiaries (collectively, the “Debt Service Amounts”) during the consecutive four (4) fiscal quarter period ended as of such date (other than with respect to the payment of principal in connection with a refinancing that constitutes Permitted Indebtedness hereunder); *provided* that for purposes of calculating the Debt Service Coverage Ratio for the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, instead of using the Adjusted EBITDA and Debt Service Amounts for the consecutive 4 fiscal quarter period ending as of such date, such amounts will be annualized as follows:

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(i) for the fiscal quarter ending March 31, 2022, the Adjusted EBITDA and Debt Service Amounts for the fiscal quarter ending March 31, 2022 will be multiplied by 4;

(ii) for the fiscal quarter ending June 30, 2022, *the sum of* the Adjusted EBITDA and *the sum of* the Debt Service Amounts, in each case for the fiscal quarters ending March 31, 2022 and June 30, 2022, will be multiplied by 2; and

(ii) for the fiscal quarter ending September 30, 2022, *the sum of* the Adjusted EBITDA and *the sum of* the Debt Service Amounts, in each case for the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, will be multiplied by 1 and 1/3.

“Default” means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed to fund any amounts required to be funded by it under this Agreement on the date on which it is required to do so under this Agreement, (b) has notified the Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under this Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements generally (as reasonably determined by Agent and the Required Lenders) under which it has committed to extend credit, (d) has failed, within one (1) Business Day after written request by Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund any amounts required to be funded by it under this Agreement, (e) has otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under this Agreement on the date that it is required to do so under this Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) (A) becomes the subject of a bankruptcy or Insolvency Proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or Insolvency Proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (B) becomes the subject of a Bail-In Action.

“Deposit Account” means any deposit account (as such term is defined in the Code).

“Designated Account” means the Deposit Account of the Borrower identified on Schedule D-1 (or such other Deposit Account of the Borrower located at Designated Account Bank that has been designated as such, in writing, by the Borrower to Agent).

“Designated Account Bank” has the meaning specified therefor in Schedule D-1 (or such other bank that is located within the United States that has been designated as such, in writing, by the Borrower to Agent).

“Disposition” has the meaning specified in Section 7.4.

“Disqualified Stock” means any Stock other than Permitted Preferred Stock that, by its terms (or by the terms of any security or other Stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable for cash, pursuant to a sinking fund obligation or otherwise (except as a result of a Change of Control or asset sale so long as any rights of the holders thereof upon the occurrence of a Change of Control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof for cash, in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Stock that would constitute Disqualified Stock, in each case, prior to the date that is ninety one (91) days after the Maturity Date.

“Dollars” or “\$” means United States dollars.

“Draw Period” means (i) with respect to the Initial Term Loan, the Closing Date, and (ii) with respect to any Additional Term Loans, the period from and including the Closing Date until, but not including, the date that is the 18-month anniversary of the Closing Date.

“EBITDA” means, with respect to the Borrower and its Subsidiaries (excluding any Subsidiaries not incorporated, organized or formed in the United States or Canada) determined on a consolidated basis, for any period,

(a) net earnings (or loss), excluding the earnings of any entity that is not a Subsidiary but in which the Borrower directly or indirectly owns any Stock, except to the extent such earnings are actually distributed in cash to the Borrower,

plus

(b) without duplication, the sum of the following amounts of the Borrower and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) Interest Expense (and to the extent not reflected in Interest Expense, (x) bank and letter of credit fees and premiums in connection with financing activities and (y) amortization of deferred financing and loan fees,

(ii) federal, state or local taxes and foreign taxes, in each case based upon income or earnings, and

(iii) depreciation and amortization for such period, in each case, determined on a consolidated basis in accordance with Applicable Accounting Standards.

“EBITDAR” means Adjusted EBITDA *plus* (without duplication, and to the extent deducted from net earnings) rental expenses to be paid in cash during such period.

“EEA Financial Institution” means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Employee Notes” means certain promissory notes evidencing certain Indebtedness owed to Borrower by certain employees of Borrower in existence on the Closing Date and disclosed to Agent prior to the Closing Date.

“Environmental Action” means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority or any third party involving violations of Environmental Laws, or Releases of Hazardous Materials (a) at or from any assets, properties, or businesses of the Borrower or any of its Subsidiaries, or any of their predecessors in interest or (b) at or from any facilities which received Hazardous Materials generated by Borrower or any of its Subsidiaries, or any of their predecessors in interest.

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“Environmental Law” means any Applicable Law relating to worker health and safety, protection of the environment or natural resources, or the use, transportation, storage, disposal, Release or remediation of any Hazardous Material.

“Environmental Liabilities” means all liabilities, monetary obligations, losses, damages, (including punitive damages, consequential damages and treble damages), costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

“Environmental Lien” means any Lien in favor of any Governmental Authority for Environmental Liabilities.

“Equipment” means equipment (as that term is defined in the Code).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of the Borrower or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of the Borrower or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Borrower or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with the Borrower or any of its Subsidiaries and whose employees are aggregated with the employees of the any Loan Party under IRC Section 414(o).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan, (b) a withdrawal by the Borrower or any of its Subsidiaries or ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, (c) a complete or partial withdrawal by the Borrower or any of its Subsidiaries or ERISA Affiliates from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization, (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan, (e) the determination that any Pension Plan or Multiemployer Plan is considered an at risk plan or a plan in critical or endangered status under the IRS, ERISA or the Pension Protection Act of 2006; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan, or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any of its Subsidiaries or ERISA Affiliates.

“Escrow Agent” means Odyssey Trust Company.

“Escrow Agreement” means that certain Escrow Agreement dated October 20, 2021 among Agent, Borrower, and Odyssey Trust Company.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Event of Default” has the meaning specified therefor in Section 9.

“Exchange Act” means the Securities Exchange Act of 1934, as in effect from time to time.

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“Excluded Accounts” means (a) any segregated Bank Account specifically and exclusively used to hold tax funds, trust funds and other Collateral funds reasonably acceptable to Agent (b) controlled disbursement accounts (to the extent that such accounts are zero balance accounts), and (c) Petty Cash Accounts.

“Excluded Property” has the meaning specified therefor in the Existing Party Guaranty and Security Agreement, and after the Senior Notes Termination Date shall also include Excluded Accounts.

“Excluded Subsidiaries” means any Subsidiary of the Borrower that, pursuant to the most recently delivered quarterly Financial Reports, meets any of the following criteria: (a) together with all other subsidiaries excluded pursuant to this clause (a), contributes less than 5.0% of Adjusted EBITDA of the Borrower and its Subsidiaries on a consolidated basis and owns less than 5.0% of the total assets (excluding real property) of the Borrower and its Subsidiaries on a consolidated basis; (b) is not directly or indirectly wholly-owned by any Loan Party (it being understood that any transaction that results in a Subsidiary not being so wholly-owned that is undertaken for the primary purposes of making such Subsidiary an Excluded Subsidiary shall not be given effect for purposes of this clause (b)); (c) has assets all or substantially all of which consist of ownership or leasehold or other interests in real property (except to the extent such ownership or leasehold or other interests constitute Acquired Financed Loan Party Real Property or Acquired Financed Loan Party Leasehold Property, in which case such Subsidiary shall be an Acquired Financed Loan Party), (d) is incorporated or otherwise formed or organized outside the United States of America or Canada; (e) is prohibited or restricted by Applicable Law (including without limitation any Cannabis Laws) or contractual obligation (so long as, in respect of any such contractual obligation, such prohibition either existed on the Closing Date or, if later, on the date the applicable Subsidiary is acquired or when such Subsidiary would have otherwise been required to become a Loan Party and such contractual obligation was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents) from providing a guarantee or pledge of equity or granting a Lien in or over its asset, as and to the extent applicable, (f) that would require a consent, approval, license, authorization or consent from any Person (including any Governmental Authority but excluding any Loan Party or any of its Affiliates) in order to become an obligor hereunder (including, in each case, under any financial assistance, corporate benefit or thin capitalization rule), but not under any contractual obligation entered into for the primary purpose of making such Subsidiary an Excluded Subsidiary, (g) any Subsidiary to the extent providing a guarantee or pledge of equity or granting a Lien in or over its asset is likely to result in material adverse Tax consequences to Borrower (as determined by Borrower in its reasonable discretion in consultation with its tax advisors); or (h) prior to the Senior Notes Termination Date, any Acquired Non-Financed Party, provided that, in each case, such exclusions shall remain only for so long as the facts, circumstances, prohibitions or restrictions giving rise to the exclusion shall continue to apply. Schedule 1.1(a) hereto sets forth a list of each Excluded Subsidiary that exists on the Closing Date and identifies which category of Excluded Subsidiary under this definition applies to such Excluded Subsidiary. In the event an Excluded Subsidiary ceases to qualify as an Excluded Subsidiary prior to the Senior Notes Termination Date, such formerly Excluded Subsidiary shall be added as a Guarantor (as defined in the Senior Notes Security Agreement) and a UCC-1 shall be filed in all appropriate jurisdictions on behalf of the holders of the Senior Note with respect to the Collateral of the formerly Excluded Subsidiary prior to such formerly Excluded Subsidiary becoming a Loan Party pursuant to Section 6.11 herein.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 16.2(a)(ii)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 17.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 17.11(f) and (d) any withholding Taxes imposed under FATCA.

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“Existing Party Guaranty and Security Agreement” means that certain Guaranty and Collateral Security Agreement dated as of the Closing Date and executed and delivered by the Borrower and each Existing Loan Party to Agent for the benefit of the Lender Group, which shall provide that the Lender Group shall be entitled to a pari passu Lien on all Senior Notes Collateral not constituting Acquired Financed Loan Party Collateral and which shall be substantially identical to the Senior Notes Security Agreement, *mutatis mutandis*.

“Existing Loan Party” means any Loan Party that is not an Acquired Financed Loan Party or an Acquired Non-Financed Party.

“Exit Fee” has the meaning specified in Section 2.6(c).

“FATCA” means Sections 1471 through 1474 of the IRC, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) (1) of the IRC and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the IRC.

“Federal Cannabis Laws” means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

“Finance Lease” means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as a finance lease under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in

accordance with GAAP. Notwithstanding anything to the contrary herein, in the event of an accounting change requiring all leases to be capitalized, at the Borrower's election only those leases that would constitute Finance Leases in conformity with Applicable Accounting Standards on the Closing Date shall be considered Finance Leases, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

"Finance Lease Obligation" means, with respect to any Person as of any date of determination, all Obligations of such Person to pay rent or other amounts under a Finance Lease.

"Foreign Lender" means each Lender (or if the Lender is a disregarded entity for U.S. federal income tax purposes, the Person treated as the owner of the assets of such Lender for U.S. federal income tax purposes) that is not a United States person within the meaning of IRC section 7701(a)(30).

"Foreign Plan" means any employee benefit plan or arrangement that would be considered a "defined benefit plan" (as defined in Section 3(35) of ERISA) if such plan was maintained in the United States and that is (a) maintained or contributed to by the Borrower or any of its subsidiaries that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of the Borrower or any of its Subsidiaries.

"Funds Flow" means a flow of funds setting forth the sources and uses of capital for the transactions contemplated by this Agreement, in form and substance reasonably satisfactory to Agent.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

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"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, certificates of designations pertaining to preferred securities, by-laws, or other organizational documents of such Person.

"Governmental Authority" means the government of the United States, any foreign country or any multinational authority, or any state, commonwealth, protectorate or political subdivision thereof, and any entity, body or authority exercising executive, legislative, judicial, tax, regulatory or administrative functions of or pertaining to government, including, without limitation, other administrative bodies or quasi-governmental entities established to perform the functions of any such agency or authority, and any agency, branch or other governmental body (federal or state) charged with the responsibility, or vested with the authority to administer or enforce, any Applicable Laws.

"Guarantor" means each Subsidiary of the Borrower except for the Excluded Subsidiaries, including any Subsidiary formed or acquired after the Closing Date that becomes a Guarantor pursuant to Section 6.11 of this Agreement.

"Guaranty" means any guaranty agreement entered into at any time on or after the Closing Date, executed and delivered by any Guarantor to Agent for the benefit of the Lender Group, including each Guaranty and Security Agreement, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Guaranty and Security Agreements" means, collectively, the Existing Party Guaranty and Security Agreement, each Acquired Financed Loan Party Guaranty and Security Agreement, and each Acquired Non-Financed Party Guaranty and Security Agreement.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any Applicable Laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity" (b) petroleum and petroleum products, and (c) per- and polyfluoroalkyl substances (PFAS).

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

"Historical Financial Statements" has the meaning specified therefor in Section 4.8.

"IFRS" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as in effect in Canada from time to time.

"Increase Effective Date" has the meaning assigned thereto in Section 2.2(d)(ii).

"Incremental Amendment" has the meaning assigned thereto in Section 2.2(c)(iv).

"Incremental Loan Limit" means \$25,000,000.

"Incremental Increase" has the meaning assigned thereto in Section 2.2(d)(i).

"Indebtedness" as to any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Finance Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices that are less than ninety (90) days past due and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Stock of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

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"Indemnified Liabilities" has the meaning specified therefor in Section 12.3.

“Indemnified Person” has the meaning specified therefor in Section 12.3.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indenture Senior Notes” means the 10% Senior Secured Notes due January 15, 2023 issued by the Borrower pursuant to, and governed by, the Senior Notes Indenture, as may be amended from time to time pursuant to the terms thereof.

“Indenture Senior Notes Redemption Date” means January 1, 2022, representing the first day the Indenture Senior Secured Notes can be redeemed at par, provided, for the avoidance of doubt, Borrower has no obligation to redeem the Original Senior Notes or the Indenture Senior Notes.

“Initial Term Loan” has the meaning specified therefor in Section 2.1(a).

“Initial Term Loan Amount” means forty million Dollars (\$40,000,000) less the Original Issue Discount.

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“Intellectual Property” has the meaning specified therefor in the Existing Party Guaranty and Security Agreement.

“Intellectual Property Security Agreement” means any security agreement executed and delivered to Agent by an Acquired Financed Loan Party as may be required pursuant to the relevant Acquired Financed Loan Party Guaranty and Security Agreement with respect to any Intellectual Property of such Acquired Financed Loan Party, for the benefit of the Lender Group, which shall be in form and substance satisfactory to Agent.

“Interest Expense” means, for any period, the aggregate of the interest expense of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with Applicable Accounting Standards.

“Interest Rate” has the meaning set forth in Section 2.5(a).

“Inventory” means inventory (as that term is defined in the Code).

“Investment” means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, or capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business and consistent with past practice, and (b) *bona fide* accounts arising in the ordinary course of business consistent with past practice), purchase, or acquisitions of Indebtedness, Stock, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with Applicable Accounting Standards. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

“IRC” means the Internal Revenue Code of 1986, as in effect from time to time.

“Lease” means, with respect to any Leasehold Property (including any Acquired Financed Loan Party Leasehold Property), the lease, sublease or other agreement under the terms of which any Loan Party has or acquires from any Person any right to occupy or use such Real Property, or any part thereof, or interest therein, and each existing or future guaranty of payment or performance thereunder, and all extensions, renewals, modifications and replacements of each such lease, sublease, agreement or guaranty.

“Leasehold Property” means any leasehold interest of any Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Agent in its sole discretion as not being required to be included in the Collateral.

“Lender” has the meaning set forth in the preamble to this Agreement, and shall include any other Person made a party to this Agreement pursuant to the provisions of Section 15.1 and “Lenders” means each of the Lenders or any one or more of them.

“Lender Group” means each of the Lenders and Agent, or any one or more of them.

“Lender Group Expenses” means all of the following (without double-counting or duplication): (a) reasonable and documented out-of-pocket costs or expenses (excluding Taxes (which are addressed in Section 11) required to be paid by the Loan Parties under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) documented, reasonable, out of pocket fees or charges paid or incurred by Agent in connection with the Lender Group’s transactions with the Loan Parties under any of the Loan Documents (in each case, solely to the extent contemplated by this Agreement), photocopying, notarization, couriers and messengers, telecommunication, third party digital automation services and compliance software, public record searches, filing fees, recording fees, publication, appraisal (including periodic collateral appraisals or business valuations to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement), real estate surveys (solely to the extent contemplated by this Agreement), and real estate title policies and endorsements and environmental audits (solely to the extent expressly contemplated by this Agreement) (c) Agent’s customary and documented fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Loan Party or other members of the Lender Group (whether by wire transfer or otherwise) together with any reasonable and documented out-of-pocket costs and expenses incurred in connection therewith, (d) reasonable and documented charges paid, imposed or incurred by Agent and or any Lender resulting from the dishonor of checks payable by or to any Loan Party, (e) reasonable documented out of pocket costs and expenses paid or incurred by the Lender Group to correct any Default or Event of Default or enforce any provision of the Loan Documents, or, upon the occurrence and during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, or defending the Loan Documents, irrespective of whether a lawsuit or adverse proceeding is brought, or in taking any enforcement action concerning the Collateral, (f) solely to the extent contemplated by the terms of this Agreement, financial examination, appraisal, audit, and valuation reasonable and documented fees and reasonable and documented out-of-pocket expenses of Agent related to any inspections or financial examination, appraisal, audit, and valuation to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement; provided, that such limits shall not apply during the continuance of an Event of Default), (g) Agent’s reasonable and documented out of pocket costs and expenses (including reasonable and documented expenses of one primary counsel) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or otherwise in connection with the transactions contemplated by the Loan Documents, Agent’s Liens in and to the Collateral, or the Lender Group’s relationship with any Loan Party and (h) Agent’s and each Lender’s reasonable documented costs and expenses (including reasonable and documented attorney’s fees and due diligence expenses of (i) one external counsel to Agent and the Lenders, taken as a whole in each appropriate material jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and (ii) any additional counsel if one or more actual conflicts of interest arise for each class of similarly situated Persons) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable costs and expenses relative to the rating of the Loans, CUSIP, DXSyndicate, SyndTrak or other communication costs incurred in connection with a syndication of the

loan facilities), amending, waiving, or modifying the Loan Documents. Notwithstanding anything contained herein to the contrary, in no event shall Borrower or any Subsidiary of Borrower be responsible for any Lender Group Expenses incurred on or prior to the Closing Date in excess of Two Hundred Thousand Dollars (\$200,000) (less the prepaid deposit).

“Lender Group Representatives” has the meaning specified therefor in Section 18.7(a).

“Lender-Related Person” means, with respect to any Lender, such Lender, together with such Lender’s Affiliates, officers, directors, employees, attorneys, and agents.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement and the interest of a lessor under a Finance Lease and any Synthetic Lease (provided that, for the avoidance of doubt, in no event shall an operating lease be deemed to constitute a Lien).

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“Loan” means any Term Loan made hereunder and “Loans” means all of them, collectively.

“Loan Account” has the meaning specified therefor in Section 2.9.

“Loan Documents” means this Agreement, each Guaranty and Security Agreement, any Guaranty, each Control Agreement, each Intellectual Property Security Agreement, any Acquired Financed Loan Party Mortgages, the Notes and any other instrument or agreement entered into, now or in the future, by any Loan Party and any member of the Lender Group in connection with this Agreement.

“Loan Party” means the Borrower and any Guarantor, and “Loan Parties” means each of them.

“Loan Party Representatives” has the meaning specified in Section 18.9.

“Make-Whole Premium” with respect to any Term Loan or any portion thereof on any date of prepayment pursuant to Section 2.3(g), means an amount equal the difference between (x) all fees and interest payments that would be payable if such Term Loan had been outstanding for 27 months after the making thereof and (y) all payments on such Term Loan or portion thereof received by Agent prior to the relevant prepayment.

“Manassas Property” means that certain real property located at 8100 Albertstone Circle, Manassas, VA 20109.

“Margin Stock” has the meaning specified in Regulation U of the Board of Governors as in effect from time to time.

“Material Adverse Effect” means a material adverse effect on (i) the business, operations, assets, liabilities or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, which causes a material impairment of their ability to perform their obligations under the Loan Documents; (ii) the legality, validity, or enforceability of the Loan Documents under Applicable Law or (iii) an invalidity or impairment of the enforceability or priority of Agent’s Liens with respect to the Collateral under Applicable Law.

“Material Contract” means, with respect to any Person, (i) each contract or agreement (including any Lease) to which such Person is a party involving aggregate revenues payable to, consideration payable to or by, or the principal amount of Indebtedness incurred by such Person (in each case to the extent reasonably determinable by such Person) of one million Dollars (\$1,000,000) or more (other than purchase orders or customer agreements in the ordinary course of the business of such Person and other than contracts that by their terms may be terminated by such Person in the ordinary course of its business upon less than thirty (30) days’ notice without penalty or premium), (ii) the Specified Acquisition Agreement, (iii) each Senior Note Loan Document, and (iv) all other contracts or agreements, the loss of which could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

“Material Indebtedness” means any Indebtedness in excess of one million Dollars (\$1,000,000) in aggregate outstanding principal amount.

“Maturity Date” means October 20, 2026.

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“Money Laundering Laws” means all Applicable Laws that may be enforced by any Governmental Authority relating to anti-money laundering statutes, laws, regulations and rules, including, but not limited to the Bank Secrecy Act (31 U.S.C. §5311 et seq.; 12 U.S.C. §§1818(s) 1829(b), 1951-1959), as amended by the Patriot Act.

“Moody’s” has the meaning specified therefor in the definition of Cash Equivalents.

“Mortgage” means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by any Loan Party in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property owned by any Loan Party.

“Mortgage Supporting Documents” means, with respect to each Mortgage for a parcel of Real Property, each of the following:

(i) evidence in form and substance reasonably satisfactory to Agent that the recording of counterparts of such Mortgage in the recording offices specified in such Mortgage will create a valid and enforceable first priority lien on property described therein in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve and (ii) an opinion of counsel in each state in which any such Mortgage is to be recorded in form and substance and from counsel reasonably satisfactory to Agent;

(ii) a lender’s Title Insurance Policy dated a date reasonably satisfactory to Agent, which shall (A) be in an amount not less than the appraised value (determined by reference to an appraisal) of such parcel of Real Property in form and substance satisfactory to Agent, (B) insure that the Lien granted pursuant to the Mortgage insured thereby creates a valid first Lien on such parcel of Real Property free and clear of all defects and encumbrances, except for Liens permitted hereunder and for such defects and encumbrances as may be approved by Agent, (C) name Agent as the insured thereunder, (D) contain such endorsements as Agent deems reasonably necessary, and (E) be otherwise in form and substance reasonably satisfactory to Agent;

(iii) copies of a recent ALTA survey of such parcel of Real Property in form and substance satisfactory to Agent, but in any event allowing for

the Title Insurance Policy to be issued without a standard survey exception and with same as survey endorsement;

(iv) evidence in form and substance reasonably satisfactory to Agent that all premiums in respect of the lender's Title Insurance Policy, all recording fees and stamp, documentary, intangible or mortgage taxes, if any, in connection with the Mortgage have been paid;

(v) concurrent with the delivery of any Mortgage with respect to a Collateral Property, (i) a completed standard "life of loan" flood hazard determination form, (ii) if the improvements to the applicable improved property is located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "Flood Hazard Property"), a written notification thereof to the Borrower ("Borrower Notice"), (iii) the Borrower's written acknowledgment of receipt of Borrower Notice as to the fact that such Collateral Property is a Flood Hazard Property and as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (iv) if the Borrower Notice is required to be given and flood insurance is available in the community in which the applicable Collateral Property is located, copies of the applicable Loan Party's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued and naming Agent as loss payee on behalf of the Lender Group;

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(vi) such other agreements, documents and instruments in form and substance reasonably satisfactory to Agent as Agent deems necessary or appropriate to create, register or otherwise perfect, maintain, evidence the existence, substance, form or validity of, or enforce a valid and enforceable first priority lien on such parcel of Real Property in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve.

"Multiemployer Plan" means any Pension Plan that is an employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any of its Subsidiaries or any ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Cash Proceeds" means, with respect to any sale or disposition by any Loan Party of its assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of such Loan Party, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under this Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by a Loan Party in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities a Loan Party in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or payable to a Person that is not an Affiliate of Borrower or any Subsidiary and are properly attributable to such transaction.

"Non-Consenting Lender" has the meaning specified therefor in Section 16.2(a).

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Note" means a promissory note issued by the Borrower to the applicable Lender in respect of the Loan made by such Lender under this Agreement, in each case, in form and substance reasonably satisfactory to Agent.

"Obligations" means all loans (including the Loans), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, including any Make-Whole Premium, Upfront Fee, Standby Fee, Exit Fee, liabilities (including all amounts charged to the Loan Account pursuant to this Agreement), Original Issue Discount, obligations (including indemnification obligations), other fees, charges, costs, Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by this Agreement or any other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Loan Parties are required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding. Without limiting the generality of the foregoing, the Obligations of Loan Parties under the Loan Documents include the obligation to pay (i) the principal of the Loans, (ii) interest accrued on the Loans and any Make-Whole Premium, (iii) Lender Group Expenses, (iv) fees payable under this Agreement or any of the other Loan Documents, and (v) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

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"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Original Issue Discount" means, with respect to each Term Loan draw, an amount equal to 2.45% of the principal amount of such Term Loan draw.

"Original Senior Notes" means the 10% senior secured notes due January 15, 2023 issued by Borrower pursuant to subscription agreements entered into by Borrower and the other parties thereto between December 23, 2019 and July 30, 2020, as may be amended from time to time pursuant to the terms thereof.

"Original Term Loan Amount" means one hundred million Dollars (\$100,000,000).

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.11(b)).

"Outstanding Amount" means, at any time, the aggregate outstanding principal balance of the Loans at such time immediately prior to giving effect to any prepayment thereof.

“Participant” has the meaning specified therefor in Section 15.1(b).

“Participant Register” has the meaning specified therefor in Section 15.1(b).

“Patriot Act” has the meaning specified therefor in Section 4.15.

“Payment Date” means the first day of each calendar quarter, or if the Payment Date is not a Business Day, upon the next following Business Day.

“PBGC” means the Pension Benefit Guaranty Corporation or any successor agency.

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“Pension Plan” means any employee pension benefit plan (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any of its Subsidiaries or ERISA Affiliates or to which such Loan Party or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

“PEP” has the meaning specified therefor in Section 4.22.

“Perfection Certificate” means a certificate in form satisfactory to Agent that provides information with respect to the personal or mixed property of the Loan Parties.

“Permits” means, in respect of any Person, all licenses, permits, franchises, consents, rights, privileges, certificates, authorizations, approvals, registrations and similar consents granted or issued by any Governmental Authority to which or by which such Person is bound or as to which its assets are bound or which has regulatory authority over such Person’s business and operations; provided, however, that “Permits” shall not mean any Cannabis License.

“Permitted Acquisition” means an acquisition of a Person, business, business unit or product line with respect to which all of the following conditions shall have been satisfied (or Required Lenders shall have otherwise approved such acquisition):

(a) (i) the Person, division or business, business unit or product line being acquired (the “Target”) shall be useful or engaged in such lines of business as are conducted by the Borrower and its Subsidiaries on the Closing Date or activities reasonably complimentary or related thereto after giving effect to such acquisition, or (ii) the acquisitions is consummated as part of a corporate restructuring between Loan Parties or between a Loan Party and an Excluded Subsidiary (including as part of a listing on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ), *provided* such acquisition would not reasonably be expected to adversely impact Agent’s Lien in any material respect or interest as a Lender in any material respect;

(b) [reserved];

(c) before and after giving effect to such acquisition, (i) all representations and warranties contained in the Loan Documents shall be true and correct on and as of the date of consummation of such acquisition, except where the failure of any such representation or warranty to be true or correct could have no adverse impact on Agent’s Lien in any material respect or interest as a Lender in any material respect; and (ii) no Default or Event of Default shall exist, based on the financial statements most recently delivered to Agent pursuant to Section 5.3 or Section 6.1, as applicable, as adjusted on a pro forma basis including the Target based on pro forma assumptions mutually agreed by the Borrower and Agent in good faith and (if after the Senior Notes Termination Date) set forth in a pro forma calculation of the Borrower’s compliance with the financial covenants in Section 8 herein, which calculation shall be in form and substance reasonably acceptable to Agent;

(d) all applicable requirements of Section 6.11 shall be complied with in connection with such acquisition;

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(e) Borrower and its Subsidiaries shall have obtained all necessary governmental, regulatory, creditor, shareholder, partner and other material permits, licenses, authorizations, consents, approvals and exemptions required to be obtained by the Loan Parties on or before the closing thereof, and each of the foregoing shall be in full force and effect, in each case except where the failure to obtain such material permits, licenses, authorizations, consents, approvals and exemptions could have no adverse impact on Agent’s Lien in any material respect or interest as a Lender in any material respect;

(f) subject to the waiver by Agent in its reasonable discretion, all applicable waiting periods with respect to such proposed acquisition shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on such acquisition, and no action, request for stay, petition for review or rehearing, reconsideration or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired, except where any such action could have no adverse impact on Agent’s Lien in any material respect or interest as a Lender in any material respect;

(g) subject to any prior notice requirements with respect to Threshold Acquisitions under Section 2.13 herein, Agent shall have received copies of all Permitted Acquisition Documents related to such Permitted Acquisition at least five (5) days prior to the consummation of such Permitted Acquisition;

(h) Agent will, promptly following the closing of any such acquisition where the Target is required to become a Loan Party pursuant to Section 6.11, receive a certificate from the Borrower’s insurance broker or other evidence reasonably satisfactory to it that all insurance required to be maintained pursuant to Section 6.7 is in full force and effect with respect to the assets acquired in such acquisition and that Agent on behalf of the Lenders has been named as additional insured and/or loss payee thereunder to the extent required under Section 6.7;

(i) either (x) Borrower shall survive such acquisition or (y) another Loan Party shall survive such acquisition so long as (A) upon the consummation of such acquisition, such surviving Loan Party is listed on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ, (B) the failure of the Borrower to survive such acquisition could have no adverse impact on Agent’s Lien in any material respect or interest as a Lender in any material respect, and (C) such acquisition will not result in a Change of Control; and

(j) for acquisitions on or prior to expiration of the Draw Period where: (x) the cash consideration is equal to or in excess of \$15,000,000; and (y) there is at least \$15,000,000 in undrawn Additional Term Loans available to Borrower (“Threshold Acquisitions”), the Lenders shall have received prior written notice and the opportunity to finance such acquisition pursuant to Section 2.13 hereof.

For the avoidance of doubt, an “acquisition” consummated by Borrower and/or its Subsidiaries may be in the form of a purchase or other acquisition of the equity securities or

other interests of a Person, the purchase of all or substantially all of the assets of a Person (or of any division or business line of such other Person), a merger or consolidation with or into a Person (regardless, for the avoidance of doubt, of the surviving entity except in the case Borrower would not be a surviving entity to such transaction), or such other form as Borrower and/or its Subsidiaries may determine, provided the transaction otherwise complies with the provisions of this definition.

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“Permitted Acquisition Documents” means the purchase agreement or other relevant primary transaction document and the other material documents and agreements, including any licenses, permits, waivers, side letters or other material agreements executed in connection with a Permitted Acquisition, including without limitation any Acquired Financed Loan Party Mortgage Supporting Documents.

“Permitted Assignees” means: (a) Agent, any Lender or any of their direct or indirect Affiliates; and (b) any fund that is administered or managed by Agent or any Lender or an Affiliate of Agent or any Lender.

“Permitted Dispositions” means:

(a) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(b) any involuntary loss, damage or destruction of property, with the Net Cash Proceeds thereof subject to Section 2.3(f);

(c) sales, abandonment, or other Dispositions of Equipment that is substantially worn, damaged, obsolete or no longer used or useful in the ordinary course of business, with the Net Cash Proceeds thereof subject to Section 2.3(f);

(d) Dispositions of Inventory, products or services to buyers in the ordinary course of business;

(e) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(f) the licensing, on a non-exclusive basis, of Intellectual Property in the ordinary course of business;

(g) (i) Dispositions of Stock for public offerings, (ii) pursuant to Borrower’s employee stock option plan, or (iii) in connection with the compensation of any employee of Borrower or any other Loan Party;

(h) Dispositions of Excluded Property that are sold for fair market value, reasonable equivalent value or otherwise disposed of in the relevant Loan Party’s reasonable business judgment;

(i) Dispositions of any real property, including pursuant to a sale-leaseback or similar transaction that are sold for fair market value and for cash; *provided* that to the extent such transferred property was Acquired Financed Loan Party Real Property or Acquired Financed Loan Party Leasehold Property, the Net Cash Proceeds thereof shall be subject to Section 2.3(f) and, to the extent such Net Cash Proceeds are to be reinvested pursuant to Section 2.3(f), they shall be reinvested solely in assets that are subject to Agent’s Lien hereunder;

(j) Dispositions, in each case without recourse, of accounts receivable or any delinquent receivables, arising in the ordinary course of business, and only in connection with the compromise, settlement or collection thereof;

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(k) the lapse or abandonment of registered patents, trademarks, copyrights and other Intellectual Property of the Borrower or any Loan Party to the extent not economically desirable or useful in the conduct of their business;

(l) to the extent constituting a Disposition, the making of Restricted Payments that are expressly permitted to be made pursuant to this Agreement;

(m) to the extent constituting a Disposition, the making of Permitted Investments that are expressly permitted to be made pursuant to this Agreement;

(n) any Dispositions to the extent constituting the incurrence of Permitted Liens;

(o) intercompany Dispositions (i) from a Loan Party to another Loan Party, including without limitation pursuant to a corporate reorganization provided all parties to such reorganization are Loan Parties and so remain; (ii) from an Excluded Subsidiaries to another Excluded Subsidiary; and (iii) so long as no Default or Event of Default is in effect, from a Loan Party to an Excluded Subsidiary in an aggregate amount not to exceed one million Dollars (\$1,000,000) per fiscal year, and which, in each case, must serve some demonstrable business justification in accordance with the nature of the Loan Parties’ business as set forth on Schedule 7.6;

(p) Dispositions made pursuant to deferred compensation arrangements in the ordinary course of business;

(q) the sale or other Disposition of a nominal amount of equity interests in any Loan Party in order to qualify members of the board of directors or equivalent governing body of such Loan Party to the extent required by Applicable Law;

(r) Dispositions of the Stock or other equity securities or interests of any Subsidiary that: (a) is immaterial (in the reasonable discretion of Borrower), regardless of whether such Subsidiary is a Loan Party (in the reasonable discretion of Borrower); (b) is not directly or indirectly wholly-owned by Borrower; or (c) is incorporated or otherwise formed or organized outside the United States of America or Canada, which, in each case, (x) are sold for fair market value and for cash and (y) in each case, with the Net Cash Proceeds thereof subject to the Section 2.3(f);

(s) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements, which, in each case, (i) are sold for fair market value and for cash and (ii) with the Net Cash Proceeds thereof subject to Section 2.3(f);

(t) (i) terminations of leases, subleases, licenses, sub-licenses and agreements (including management agreements and other similar agreements) in the ordinary course of business and (ii) the surrender or waiver of contractual rights or the settlement release or surrender of contract or tort claims in the ordinary course of business, in each case, to the extent not interfering in any material respect with the business of the Loan Parties;

(u) Dispositions of Stock or assets in connection with a Permitted Acquisition to the extent required pursuant to Applicable Law, including without limitation as may be required pursuant to any Applicable Law setting a limit or cap on the ownership of Cannabis Licenses, and provided, for the avoidance of doubt, that Borrower may elect to cause a Disposition of the Stock or assets of one or more Loan Parties in connection with such Permitted Acquisition provided that the Targets shall be Acquired Financed Parties or Borrower shall replace the Loan Parties that are disposed of with Excluded Subsidiaries having equal or greater value than the Loan Parties that are disposed of;

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(v) Dispositions of Stock in connection with pre-existing contractual arrangements;

(w) [reserved];

(x) the trade-in-kind or exchange of any asset for any other asset or assets of equivalent value (as determined by the Borrower in good faith in its reasonable judgement), including any cash or Cash Equivalents solely to the extent necessary in order to achieve an exchange of equivalent value to the extent not exceeding 25% of the overall fair market value of the more valuable asset or assets, with any Net Cash Proceeds received subject to Section 2.3(f); and

(y) Any other Dispositions of property, with all such property disposed of pursuant to this clause (t) not to exceed a value of \$10,000,000 in any fiscal year, determined by the greater of (i) the aggregate fair market value or (ii) original purchase price or acquisition cost of such property, which in each case, (x) are sold for fair market value and for cash and (y) with the Net Cash Proceeds thereof subject to Section 2.3(f).

“Permitted Indebtedness” means:

(a) Indebtedness evidenced by this Agreement and the other Loan Documents;

(b) endorsement of instruments or other payment items for deposit;

(c) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantees and similar obligations incurred in the ordinary course of business, (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) guarantees arising with respect to customary indemnification obligations to sellers in connection with Permitted Acquisitions;

(d) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to any Loan Party, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(e) Indebtedness incurred in the ordinary course of business in respect of Cash Management Services in an aggregate amount not to exceed Five Million Dollars (\$5,000,000) at any time;

(f) unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business;

(g) Indebtedness in respect of unsecured intercompany loans and advances solely as between Loan Parties, subject to subordination agreements in form and substance reasonably satisfactory to Required Lenders;

(h) Permitted Purchase Money Indebtedness;

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(i) Indebtedness listed on Schedule 4.14 attached hereto;

(j) Indebtedness that is subordinated in right of payment to the prior payment of all Obligations of any Loan Party under the Loan Documents, pursuant to subordination provisions in form and substance reasonably satisfactory to the Required Lenders, to the extent that such Indebtedness is otherwise permitted under this Agreement;

(k) Subject to Section 8.4, Indebtedness incurred to finance a Permitted Acquisition in accordance with Section 2.13 (including any earn-out payments incurred in connection therewith), so long as (i) such Indebtedness, to the extent secured, is secured only by Permitted Liens upon the property or assets acquired in such Permitted Acquisition; and (ii) after giving effect to the incurrence of such Indebtedness, the Loan Parties shall be in pro forma compliance with the financial covenant set forth in Section 8.1;

(l) guaranties of other Permitted Indebtedness;

(m) Indebtedness issued by the Borrower or any Subsidiary after the Closing Date to current or former officers, directors, employees, managers and consultants, and their respective estates, spouses or former spouses, of the Borrower or any Subsidiary, incurred in the ordinary course of business up to an aggregate principal amount of \$5,000,000 outstanding at any time;

(n) Indebtedness under the Senior Notes, provided that, except to the extent permitted by Section 2.12 hereof to the contrary: (i) the outstanding principal amount thereof shall not exceed \$75,193,000 and (ii) such Indebtedness shall not be secured by any assets or properties other than the Senior Notes Collateral;

(o) Subject to Section 8.4, Indebtedness of a Person whose assets or equity interests are acquired in a Permitted Acquisition; *provided* that such Indebtedness (i) was in existence prior to the date of such Permitted Acquisition; (ii) was not incurred in connection with, or in contemplation of such Permitted Acquisition; and (iii) after giving effect to the incurrence of such Indebtedness, the Loan Parties shall be in pro forma compliance with the financial covenant set forth in Section 8.1;

(p) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(q) reasonable and customary indemnification obligations incurred in the ordinary course of business or pursuant to a transaction otherwise permitted under this Agreement, to the extent constituting Indebtedness;

- (r) deferred taxes to the extent constituting Indebtedness;
- (s) until the Senior Notes Termination Date, and to the extent not otherwise expressly permitted hereunder, all Permitted Indebtedness (as defined in the Senior Notes);
- (t) Indebtedness in respect of Excluded Property;

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- (u) (i) Indebtedness incurred by Jushi Europe SA and/or its Subsidiaries in an amount that, together with all Permitted Investments made by the Loan Parties in Jushi Europe and/or its Subsidiaries pursuant to subsection (g) of the definition of Permitted Investments (but excluding any Indebtedness of Jushi Europe or its Subsidiaries set forth on Schedule 4.14), shall not exceed \$10,000,000 at any one time outstanding, and (ii) Indebtedness between Excluded Subsidiaries;
- (v) Indebtedness to refinance all but not less than all of the Term Loans (provided the Make-Whole Premium has been paid);
- (w) Indebtedness with respect to the Permitted Transaction in an amount not to exceed Seven Million Dollars (\$7,000,000) at any one time outstanding;
- (x) Indebtedness in connection with the Specified Lease existing on the date of this Agreement and additional Indebtedness in connection with the Specified Lease in an aggregate principal amount not to exceed the lesser of (1) \$40,000,000 and (2) the actual amount of additional Indebtedness incurred in connection with the Specified Lease after the Closing Date, such additional Indebtedness to be determined on an as-funded or as-incurred basis regardless of the treatment of such Indebtedness on Borrower's financial statements;
- (y) Indebtedness in connection with the purchase, sale, improvement or financing of the Manassas Property in an amount not to exceed \$50,000,000 at any time outstanding;
- (z) Indebtedness in connection with the purchase, sale, improvement or financing of any real property (including any leasehold interest(s) relating thereto) but excluding Indebtedness attributable to the Specified Lease and the Manassas Property, and which may include, without limitation, the mortgaging of any such property and any sale-leaseback transactions, in an aggregate principal amount not to exceed \$25,000,000 at any time outstanding;
- (aa) Subject to Section 2.12 herein, Indebtedness in connection with the Senior Notes Refinancing;
- (bb) Any refinancing or extending of the Indebtedness described in clauses (a) through (z) above (excluding (n)) above; *provided* such indebtedness (i) has an aggregate outstanding principal amount that is no greater than the aggregate principal amount of the Indebtedness being refinanced or extended, except by an amount equal to the unpaid accrued interest and premium thereon, defeasance costs and other reasonable amounts paid and fees and expenses incurred in connection therewith, (ii) is not secured by a Lien on any assets other than the collateral securing the Indebtedness being refinanced or extended, (iii) does not include any obligors other than obligors with respect to the Indebtedness being refinanced or extended, (iv) is payment and/or lien subordinated to the Term Loans at least to the same extent and in the same manner as the Indebtedness being refinanced or extended, and (v) does not have a stated maturity or weighted average life that is earlier than the Indebtedness being refinanced or extended; and
- (cc) other Indebtedness in an aggregate principal amount not to exceed the greater of 10% of Adjusted EBITDA for the most recently ended period of four fiscal quarters and \$10,000,000 at any one time outstanding.

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"Permitted Investments" means:

- (a) Investments in cash and Cash Equivalents;
- (b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business and consistent with past practice;
- (c) advances (including to trade creditors) made in connection with purchases of goods or services in the ordinary course of business;
- (d) Stock or other securities acquired in connection with the satisfaction or enforcement of Indebtedness (including in connection with the Employee Notes) or claims due or owing to a Loan Party (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims;
- (e) deposits of cash made in the ordinary course of business to secure performance of operating leases by the Borrower that is lessee under such lease;
- (f) Investments made in the form of capital contributions or loans by a Loan Party to another Loan Party;
- (g) Investments made in the form of capital contributions or loans by Loan Parties to Jushi Europe SA and/or its Subsidiaries in an amount that, together with all Permitted Indebtedness of Jushi Europe and/or its Subsidiaries pursuant to subsection (u) of the definition of Permitted Indebtedness (but excluding any Indebtedness of Jushi Europe or its Subsidiaries set forth on Schedule 4.14), shall not exceed \$10,000,000 at any one time outstanding
- (h) Investments existing on the Closing Date in the Stock of direct or indirect Subsidiaries of the Borrower existing on the Closing Date;
- (i) the maintenance of Deposit Accounts and securities accounts in the ordinary course of business and not in violation of this Agreement;
- (j) the Specified Acquisition;
- (k) any Permitted Acquisition;
- (l) the Permitted Transaction;
- (m) any Permitted Indebtedness;

(n) other Investments not to exceed the greater of (i) 20% of EBITDA or (ii) \$20,000,000 in the aggregate at any time outstanding.

“Permitted Liens” means:

(a) Agent’s Liens;

(b) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) do not have priority over Agent’s Liens and the underlying Taxes are the subject of Permitted Protests;

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 9.1(g) of this Agreement;

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(d) Liens set forth on Schedule P-1, *provided that* to qualify as a Permitted Lien, any such Lien described on Schedule P-1 shall only secure the Indebtedness that it secures on the Closing Date or any Indebtedness such Liens are contractually obligated to secure on the Closing Date;

(e) the interests of lessors under operating leases and UCC financing statements filed as a precautionary measure in connection with operating leases or consignment of goods;

(f) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances, none of which interfere in any material respect with the ordinary course of business of the Loan Parties (taken as a whole);

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, repairmen, workmen or suppliers, or other statutory Liens, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either are for sums not yet delinquent or are subject to Permitted Protest;

(h) Liens on amounts pledged or deposited in connection with obtaining worker’s compensation or other unemployment insurance;

(i) Liens on amounts deposited to secure any Loan Party’s obligations in connection with the making or entering into of bids, tenders, trade contracts (other than for borrowed money), government contracts, statutory obligations, leases and other obligations of a like nature, or leases in the ordinary course of business and not in connection with the borrowing of money;

(j) Liens on amounts deposited to secure any Loan Party’s obligations as security for surety, stay, custom, appeal performance and return of money bonds, and bonds of a like nature, in connection with obtaining such bonds in the ordinary course of business;

(k) non-exclusive licenses of Intellectual Property in the ordinary course of business;

(l) [Reserved];

(m) Liens on the Senior Notes Collateral securing obligations under the Senior Notes;

(n) Liens for the benefit of the Senior Notes Refinancing Lender(s), to the extent the Senior Notes Refinancing complies with the requirements of Section 2.12 herein;

(o) Liens on deposit accounts granted or arising in the ordinary course of business in favor of depository banks maintaining such deposit accounts solely to secure customary account fees and charges payable with respect to such Deposit Accounts and overdrafts not in violation of this Agreement;

(p) Permitted Priority Liens;

(q) [Reserved];

(r) Liens securing Indebtedness that constitutes Permitted Indebtedness; and

(s) Other Liens as to which the aggregate amount of the obligations secured thereby does not exceed the greater of 10% of Adjusted EBITDA for the most recently ended period of four fiscal quarters and \$15,000,000.

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“Permitted Preferred Stock” means convertible preferred Stock that: (i) provides for a return of capital only upon maturity; (ii) matures not less than one (1) year after the Maturity Date, (iii) provides for interest payments, in cash, not to exceed five percent (5%) per annum; (iv) may be issued with an original issue discount not to exceed ten percent (10%) of the notional value of such convertible preferred Stock; and (v) the total notional value of all such convertible preferred Stock does not exceed One Hundred Million Dollars (\$100,000,000).

“Permitted Priority Liens” means Liens that may be given priority over Liens held by Agent for the benefit of the Lender Group hereunder, and solely includes (i) statutory Permitted Liens which are non-consensual, (ii) Liens securing Indebtedness incurred in connection with the Permitted Transaction, (iii) Liens securing Permitted Purchase Money Indebtedness; (iii) Liens securing Indebtedness of Borrower or any of its Subsidiaries incurred in connection with a Permitted Acquisition (including the acquisition of an Acquired Non-Financed Party), *provided that* any such Lien attaches only to those assets acquired in such Permitted Acquisition; (v) Liens securing Indebtedness of a Person whose assets or equity interests are acquired in a Permitted Acquisition; (vi) Liens on Excluded Property, including the interests of lessors under Finance Leases and Liens in connection with the purchase, sale, improvement or financing of any real property (including any leasehold interest(s) relating thereto) that is not Acquired Financed Loan Party Real Property or Acquired Financed Loan Party Leasehold Property, and which may include, without limitation, the mortgaging of any such property and any sale-leaseback transactions, securing Indebtedness that constitutes Permitted Indebtedness and which is solely secured by such real property; (vii) Liens on the Senior Notes Collateral securing obligations under the Senior Notes; *provided that* following the Senior Notes Refinancing Date, any Lien securing obligations under the Senior Notes shall cease to constitute a Permitted Priority Lien; and (ix) the Lien existing on the Closing Date that is expressly noted on Schedule P-1 as being a Permitted Priority Lien.

“Permitted Protest” means the right of the Borrower or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), taxes

(other than payroll taxes or taxes that are the subject of a United States federal tax lien) or rental payment, *provided that* (a) a reserve with respect to such obligation is established on the Borrower' or any of its Subsidiaries' books and records in such amount as is required under Applicable Accounting Standards, (b) any such protest is instituted promptly and prosecuted diligently by Borrower or its Subsidiaries, as applicable, in good faith, and (c) the Required Lenders are reasonably satisfied that, while any such protest is pending, there will be no material impairment of the enforceability, validity, or priority of any of Agent's Liens or result in a Material Adverse Effect.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Indebtedness incurred after the Closing Date and at the time of, or within one hundred eighty (180) days after, the acquisition of any fixed or capital assets (excluding for the avoidance of doubt any Excluded Property) for the purpose of financing all or any part of the acquisition cost thereof, in an aggregate principal amount outstanding at any one time not in excess of the greater of 10% of Adjusted EBITDA for the most recently ended period of four fiscal quarters and \$10,000,000.

"Permitted Transaction" means the transaction described on Schedule 1.1(b).

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"Petty Cash Accounts" means Bank Accounts with deposits at any time in an amount not in excess of \$1,000,000 for any one account and \$15,000,000 in the aggregate for all such accounts.

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Projections" means the Borrower's and its Subsidiaries' forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, together with appropriate supporting details and a statement of underlying assumptions.

"Pro Rata Share" means, as of any date of determination, with respect to any Term Loan Lender, the percentage obtained by dividing (i) the Term Loan Exposure of such Lender by (ii) the aggregate Term Loan Exposure of all Lenders, as the applicable percentage may be adjusted by assignments permitted pursuant to Section 15.1.

"Qualified Stock" means and refers to any Stock issued by the Borrower (and not by one or more of their Subsidiaries) that is not a Disqualified Stock.

"Real Property" means any estates or interests in real property now owned or hereafter acquired (including any leasehold interest(s) relating thereto) by any Loan Party and the improvements thereto.

"Recipient" means (a) Agent, or (b) any Lender, as applicable.

"Register" has the meaning specified therefor in Section 15.1(a).

"Regulatory Authority" means each political subdivision authorized under Cannabis Law to regulate the growth, processing, testing, and sale of cannabis or medical marijuana in each state in which the Borrower operates.

"Release" means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, emanating or migrating in, into, onto or through the environment.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Replacement Lender" has the meaning specified therefor in Section 2.11(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

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"Required Lenders" means, at any time, (x) Agent and (y) Lenders having or holding more than fifty-one percent (51.00%) of the aggregate Term Loan Exposure of all Lenders (subject to Section 2.2(d) in respect of Defaulting Lenders).

"Restricted Payment" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Stock issued by any other Loan Party (including any payment in connection with any merger or consolidation involving any Loan Party) or to the direct or indirect holders of Stock issued by any Loan Party in their capacity as such (other than: (i) dividends or distributions payable in Qualified Stock issued by a Loan Party or in cash in connection with any Permitted Preferred Stock to the extent permitted pursuant to this Agreement; (ii) dividends or other payments an Acquired Party is contractually obligated to make and such contractual obligation was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents or (iii) dividends or other payments from a Subsidiary to Borrower or another Loan Party; (b) purchase, redeem, make any sinking fund or similar payment, or otherwise retire for value (excluding in connection with any merger or consolidation involving any Loan Party that does not constitute (x) a Change of Control or (y) an acquisition that is not a Permitted Acquisition) any Stock issued by any Loan Party; (c) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Stock of any Loan Party now or hereafter outstanding, except: (1) in connection with the repayment or forgiveness of the Employee Notes; or (2) in connection with and to the extent necessary to effectuate Borrower's listing on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ, (d) make, or cause or suffer to permit any Loan Party to make, any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any subordinated Indebtedness (it being understood for the avoidance of doubt that the Senior Notes shall not constitute subordinated Indebtedness), provided that this subsection (d) shall not prohibit any Loan Party from forgiving or making "gross-up" or similar payments in connection with the Employee Notes (including with respect to all Taxes associated with the Employee Notes and the forgiveness thereof), which shall expressly be permitted hereunder, and (e) make any payment with respect to any earnout obligation or similar deferred or contingent obligation to employees, consultants, officers or directors of any Loan Party other than (1) pursuant to a Permitted Acquisition (so long as the Borrower is in pro forma compliance with the financial covenants in Section 8 and no Event of Default is in effect), (2) pursuant to a contractual arrangement in place prior to the Closing Date and which was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents, or (3) bonuses, commissions, or similar payments to employees, consultants, officers and directors of the Loan Parties in the ordinary course of business pursuant to an employee stock option or other compensation plan or as may have been approved in writing by a majority of the

independent members of such Loan Party's Board of Directors (or comparable governing body) or a committee thereof, and provided, for the avoidance of doubt, the provisions of this subsection shall not prohibit Borrower or any Subsidiary from paying earnouts or similar deferred or contingent obligations in connection with Permitted Acquisitions so long as the Borrower is in pro forma compliance with the financial covenants in Section 8 and no Event of Default is in effect).

"S&P" has the meaning specified therefor in the definition of Cash Equivalents.

"Sanctioned Jurisdiction" means, at any time, a country, territory or geographical region which is itself the target of comprehensive Sanctions Laws (currently, Cuba, Iran, North Korea, Sudan, Crimea and Syria).

"Sanctions Laws" means all Applicable Laws concerning or relating to economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by OFAC, including, but not limited to, the following (together with their implementing regulations, in each case, as amended from time to time): the International Security and Development Cooperation Act (ISDCA) (22 U.S.C. §23499aa-9 et seq.) and the Trading with the Enemy Act (TWEA) (50 U.S.C. §5 et seq.).

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"Sanctioned Entity" means (a) a country, region or territory or a government of a country, region or territory, (b) an agency of the government of a country, region or territory, (c) an organization directly or indirectly controlled by a country, region or territory, or its government, (d) a Person resident in or determined to be resident in a country, region or territory, in each case, that is subject to a country, region or territory, as applicable, sanctions program administered and enforced by OFAC.

"Sanctioned Person" means any Person that is a designated target of Sanctions or is otherwise a subject of Sanctions, including as a result of being (i) owned, held or controlled by any Person which is a designated target of Sanctions, (ii) located or resident in, a national of, or organized under the laws of, any country that is subject to general or country-wide Sanctions, or (iii) a Person named on the list of Specially Designated Nationals maintained by OFAC, or any Person owned fifty percent (50.00%) or more by one or more of such Persons.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Securities Account" means a securities account (as that term is defined in the Code).

"Security" means, collectively, all present and future guarantees and Liens granted by the Borrower or any of its Subsidiaries to Agent as Security for all or any part of the Obligations.

"Senior Notes" means Original Senior Notes and Indenture Senior Notes.

"Senior Notes Collateral" means all of the owned material assets of the Borrower and each Guarantor (as such term is defined in the Senior Notes Security Agreement), whether now owned or thereafter acquired including, without limitation, all, contract rights, deposits, Deposit Accounts (as such term is defined in the Code), General Intangibles (as such term is defined in the Senior Notes Security Agreement), Equipment, fixtures, letter-of-credit rights, instruments, Investment Property, documents, commercial tort claims, Intellectual Property and all other assets, wherever located and whether now existing or owned or hereafter acquired or arising, all supporting obligations thereof, and all products and Proceeds (as such term is defined in the Senior Notes Security Agreement) thereof, but excluding any Excluded Property (as such term is defined in the Senior Notes Security Agreement).

"Senior Notes Indenture" means that certain Trust Indenture dated as of November 20, 2020 between the Borrower, as issuer, and the Senior Notes Trustee, as the same may be amended, supplemented or otherwise modified from time to time, providing for the issue of the Senior Notes, as may be amended from time to time pursuant to the terms thereof.

"Senior Notes Loan Documents" means the Senior Notes, the Senior Notes Indenture, the Senior Notes Security Agreement, and such other instrument or agreement entered into, now or in the future, in connection with the Senior Notes, in each case, as the same may be amended, supplemented or otherwise modified from time to time.

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"Senior Notes Maturity Date" means January 15, 2023, subject to any agreed upon extension thereto that is entered into in accordance with Section 7.7 herein.

"Senior Notes Refinancing" has the meaning specified therefor in Section 2.12.

"Senior Notes Refinancing Lender" has the meaning specified therefor in Section 2.12.

"Senior Notes Security" means the Lien granted to for the benefit of the holders of the Senior Notes under the Security Documents (as defined in the Senior Notes Indenture), including the Senior Notes Security Agreement.

"Senior Notes Security Agreement" means that certain Amended and Restated Guaranty and Collateral Security Agreement, dated as of November 20, 2020, executed and delivered by the Borrower and certain Subsidiaries of the Borrower identified as Grantors therein, to Acquiom Agency Services, LLC, a Delaware limited liability company, as collateral agent for the Senior Notes Trustee on behalf of the holders of the Senior Notes, as the same may be amended, supplemented or otherwise modified from time to time.

"Senior Notes Termination Date" means the earlier to occur of (i) the Senior Notes Maturity Date and (ii) the date of a Senior Notes Refinancing.

"Senior Notes Trustee" means Odyssey Trust Company, a trust incorporated under the laws of the Province of Alberta.

"Solvent" means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person's debts (including contingent liabilities) is less than all of such Person's assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or transaction or for which the property remaining with such Person is an unreasonably small capital, and (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under Applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such

contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“Specified Acquisition” means the acquisition of all equity interests in Nature’s Remedy of Massachusetts Inc., a Massachusetts corporation, and certain of its Affiliates, by the Borrower or one of its Subsidiaries, upon terms and conditions set forth in the Specified Acquisition Agreement.

“Specified Acquisition Agreement” means that certain Merger and Membership Interests Purchase Agreement dated April 16, 2021 between the Borrower, Jushi MA, Inc., Jushi Inc., Nature’s Remedy of Massachusetts, Inc., McMann LLC, Valiant Enterprises, LLC and the Seller Executives (as defined therein).

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“Specified Acquisition Documents” means the Specified Acquisition Agreement and the other documents and agreements, including any licenses, permits, waivers relating thereto or side letters or agreements affecting the terms thereof, executed in connection with the Specified Acquisition.

“Specified Equity Contribution” has the meaning specified therefor in Section 8.3.

“Specified Lease” means that certain Lease Agreement, dated April 6, 2018 by and between IIP-PA 1, LLC, a Delaware limited liability company and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company.

“Standby Fee” has the meaning specified therefor in Section 2.6(b).

“Stock” means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

“Subsidiary” of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity. Unless otherwise indicated, any use of the term Subsidiary means a Subsidiary of the Borrower.

“Synthetic Lease” means (a) a so-called “synthetic”, “off-balance sheet” or “tax retention” lease; or (b) an agreement for the use or possession of property creating Obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Synthetic Lease Obligations” means with respect to any Person as of any date of determination, all Obligations of such Person to pay rent or other amounts under a Synthetic Lease.

“Target” has the meaning specified therefor in the definition of “Permitted Acquisition”.

“Tax Lender” has the meaning specified therefor in Section 16.2(a).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), fees, assessments or other charges imposed by any Governmental Authority or Regulatory Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan” and “Term Loans” means collectively, the Initial Term Loan and each Additional Term Loan.

“Term Loan Exposure” means, with respect to any Lender, as of any date of determination, the aggregate of unfunded Commitments and outstanding principal amount of Term Loans held by such Lender at such time.

“Term Loan Request” means the form delivered by the Borrower pursuant to Section 2.2(b) in substantially the form of Exhibit D attached hereto.

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“Threshold Acquisition” has the meaning specified therefor in the definition of “Permitted Acquisitions”.

“Title Insurance Policy” means a mortgagee’s loan policy, in form and substance satisfactory to Agent, together with all reasonable endorsements made from time to time thereto, issued to Agent by or on behalf of a title insurance company selected by or otherwise satisfactory to Agent (the “Title Insurance Company”), insuring the Lien created by a Acquired Financed Loan Party Mortgage in an amount and on terms and with such endorsements satisfactory to Agent, subject to Permitted Liens, delivered to Agent.

“Total Funded Indebtedness” means, as of any date of determination and without duplication, the sum of (a) the Outstanding Amount and all other Indebtedness for borrowed money as of such date, plus (b) the attributable indebtedness with respect to all Finance Lease Obligations and Synthetic Lease Obligations, plus (c) without duplication of amounts counted under clause (a), the outstanding principal amount of any revolving loans outstanding at such date (excluding any undrawn amounts under any such applicable revolving credit facilities), in each case with respect to the Loan Parties and their Subsidiaries but excluding any Permitted Investments in, or Permitted Indebtedness of, all Subsidiaries of Borrower not incorporated, organized or formed in the United States or Canada, determined on a consolidated basis in accordance with Applicable Accounting Standards, plus (d) without duplication, capitalized lease obligations related to operating leases as determined under GAAP (provided that the discount rate shall not exceed 15% per annum). Notwithstanding the foregoing or anything contained herein to the contrary, for the purpose of calculating Total Funded Indebtedness hereunder for any purpose: (1) the Indebtedness attributable to the Specified Lease on the Closing Date shall be Fifty Million Dollars (\$50,000,000) (or, if there is a change to the payment terms of the Specified Lease, the balance sheet amount of the Indebtedness attributable to the Specified Lease) and shall increase in connection with any Indebtedness incurred by Borrower or its Subsidiaries pursuant to subsection (x) of the definition of Permitted Indebtedness, for a maximum total Indebtedness pursuant to the Specified Lease of Ninety Million Dollars (\$90,000,000); and (2) any Indebtedness exclusively between: (i) Borrower and any Loan Party, (ii) two Loan Parties, or (iii) a Loan Party and an Excluded Subsidiary that is wholly-owned by a Loan Party and which is permitted pursuant to the terms of this Agreement shall be excluded.

“Total Leverage Ratio” means, as of any date of determination, the ratio of (a) the amount of Total Funded Indebtedness as of such date, to (b) EBITDAR for the consecutive four (4) fiscal quarter period ended as of such date; *provided* that for purposes of calculating the EBITDAR for the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022 to determine compliance with Section 8.1 herein, instead of using the consecutive 4 fiscal quarter period ending as of such date, the EBITDAR will be annualized as follows:

(i) for purposes of calculating the EBITDAR for the fiscal quarter ending March 31, 2022, the EBITDAR for the fiscal quarter ending March 31, 2022 will be

multiplied by 4;

(ii) for purposes of calculating the EBITDAR for the fiscal quarter ending June 30, 2022, ~~the sum of~~ EBITDAR for the fiscal quarters ending March 31, 2022 and June 30, 2022 will be multiplied by 2; and

(ii) for purposes of calculating the EBITDAR for the fiscal quarter ending September 30, 2022, ~~the sum of~~ EBITDAR for the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022 will be multiplied by 1 and 1/3.

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“Transaction Documents” means, collectively, the Loan Documents and the Specified Acquisition Documents.

“Upfront Fees” has the meaning specified therefor in Section 2.6(a).

“United States” means the United States of America.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the IRC.

“U.S. Tax Compliance Certificate” has the meaning specified therefor in Section 17.11(f)(i)(B)(3).

“Voidable Transfer” has the meaning specified therefor in Section 18.6.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with Applicable Accounting Standards. When used herein, the term “financial statements” shall include the notes and schedules thereto. Whenever the term “Borrower” is used in respect of a financial covenant or a related definition, it shall be understood to mean the Borrower and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (or any similar accounting principle or other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof or (ii) any treatment of Indebtedness with respect to convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (b) the term “unqualified opinion” as used herein to refer to opinions or reports provided by accountants means an opinion or report that does not include any qualification or supplemental comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit. On the first reporting period for which the Loan parties have transitioned from IFRS to GAAP, then following delivery to Agent of a completed Compliance Certificate attaching the information required to be delivered for such financial reporting period, Agent shall use commercially reasonable efforts to amend (in a manner mutually satisfactory to the Lender and Loan Parties) the thresholds or methods of calculation required (including any definitions or components applicable thereto) such that compliance therewith is neither more nor less burdensome to Loan Parties as a result of such conversion to GAAP and, thereafter, all references in the Loan Documents to IFRS shall be deemed references to GAAP.

1.3 **Code.** Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; *provided that* to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

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1.4 **Construction.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms “includes” and “including” are not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other Loan Document to the satisfaction, prepayment, repayment, or payment in full of the Obligations means (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (ii) all Lender Group Expenses that have accrued and are unpaid (other than contingent obligations in respect of which no claim has been made), (iii) all fees or charges that have accrued hereunder or under any other Loan Document and are unpaid, (b) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys’ fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, and (c) the termination of all of the Commitments of the Lenders to Borrower hereunder. Any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns.

1.5 **Schedules and Exhibits.** All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. LOAN AND TERMS OF PAYMENT.

2.1 **Term Loan.**

(a) **Initial Term Loan.** Subject to the terms and conditions of this Agreement, including the satisfaction (or waiver) of all conditions precedent specified in Section 3.1, and in reliance upon the representations and warranties of the Loan Parties contained herein, on the Closing Date, each Lender agrees (severally, not jointly or jointly and severally) to make a single term loan advance in an amount equal to such Lender’s Pro Rata Share of the Initial Term Loan Amount (the “Initial Term Loan”).

(b) **Additional Term Loans.** Subject to the terms and conditions of this Agreement, including the satisfaction (or waiver) of all conditions precedent specified in Section 3.3, and in reliance upon the representations and warranties of the Loan Parties contained herein, each Lender agrees (severally, not jointly or jointly and severally) to make additional term loan advances from time to time solely during the applicable Draw Period in an amount up to such Lender's Pro Rata Share of the then unfunded portion of the Original Term Loan Amount (each an "Additional Term Loan"); *provided* each Additional Term Loan draw shall be in a principal amount of not less than \$15,000,000, or such greater amount which is a multiple of \$15,000,000 (unless Borrower and Agent agree otherwise in writing), *less* the Original Issue Discount.

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(c) **[Reserved].**

(d) The Outstanding Amount of the Term Loans and all accrued and unpaid interest thereon shall be due and payable on the earlier of (i) the Maturity Date, (ii) the tenth (10th) day following the occurrence of a Change of Control, and (iii) the date of the acceleration of the Term Loans in accordance with the terms hereof. Any principal amount of the Term Loans that is repaid or prepaid may not be reborrowed. All principal of, interest on, and other amounts payable in respect of the Term Loans shall constitute Obligations. In the event the date of acceleration of the Term Loans in accordance with the terms hereof is prior to the Senior Notes Termination Date, Agent and the Lenders agree that no enforcement action including without limitation any automatic or optional acceleration of the Term Loans will be taken with respect to the Collateral (other than Acquired Financed Loan Party Collateral) until the Senior Notes have been repaid in full.

2.2 Borrowing Procedures.

(a) For the Initial Term Loan, full execution of this Agreement by the parties hereto shall be deemed a written and completed request for the Initial Term Loan by Borrower signed by an authorized officer of the Borrower and an acceptance of such request by Agent, subject only to Borrower's satisfaction on the Closing Date of the conditions set forth in Section 3.1 hereof. Upon satisfaction of the conditions set forth in Section 3.1 hereof on the Closing Date, Agent shall remit the Initial Term Loan Amount immediately by wire transfer of such funds in accordance with the Escrow Agreement.

(b) For any Additional Term Loans, during the Draw Period, if the Borrower desires an Additional Term Loan, the Borrower shall notify Agent no later than 5:00 p.m. (Pacific time), at least ten (10) Business Days prior to the date such Additional Term Loan is to be made, which notice may be given by telephone. Each such notification shall be confirmed promptly by delivery, which shall include email delivery, to Agent of a written and completed Term Loan Request in substantially the form of Exhibit D hereto, signed by an authorized officer of the Borrower. Agent shall be entitled to rely on any notice given by a person who Agent reasonably believes to be an authorized officer of the Borrower or a designee thereof, and the Borrower shall indemnify and hold Agent harmless for any damages or loss suffered by Agent as a result of such reliance. Agent will credit the amount of Additional Term Loans made under this Section 2.2(a) to the Borrower's Deposit Account on the date such Additional Term Loan is made.

(c) Following receipt of a Term Loan Request, Agent shall promptly notify each Lender of the amount of the portion of the applicable Additional Term Loan to be funded by such Lender under Section 2.1. Upon satisfaction of the applicable conditions set forth in Section 3.3, Agent shall remit such Additional Term Loan by wire transfer of such funds in accordance with the Escrow Agreement.

(d) **Incremental Loans.**

(i) **Request for Incremental Increase.** At any time (i) before the Senior Notes Termination Date in connection with a Senior Notes Refinancing or (ii) on or after the Senior Notes Termination Date until the end of the Draw Period for the Term Loans, upon written notice to Agent, the Borrower may request, subject to the approval of the investment committee of Agent, one increase in the Commitments (the "Incremental Increase"); *provided* that (A) the initial principal amount of the Incremental Increase shall not exceed the Incremental Loan Limit, and (B) the Incremental Increase shall be in a minimum amount of \$25,000,000 (or such lesser amount as agreed to by Agent).

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(ii) **Increase Effective Date and Allocations.** Agent and the Borrower shall determine the effective date of the Incremental Increase (the "Increase Effective Date"). The Incremental Increase shall be allocated to the Lenders based on each Lender's Pro Rata Share of the then unfunded portion of the Original Term Loan Amount. Agent shall promptly notify the Borrower and the Lenders of the final allocation of the Incremental Increases and the Increase Effective Date.

(iii) **Terms of Incremental Increases.** Any loans extended pursuant to the Incremental Increase shall constitute Additional Term Loans and shall have the same terms as the Additional Term Loans hereunder, except that the Incremental Increase shall not be subject to the Standby Fee until Increase Effective Date. The Incremental Increase shall become effective as of the Increase Effective Date and shall be subject to the following conditions precedent:

(A) no Default or Event of Default shall exist on the Increase Effective Date immediately prior to or after giving effect to (i) the Incremental Increase and (ii) the making of the initial extensions of credit pursuant thereto;

(B) all of the representations and warranties set forth in Section 4 shall be true and correct in all material aspects (or if qualified by materiality or Material Adverse Effect, in all respects) as of the Increase Effective Date, or if such representation speaks as of an earlier date, as of such earlier date;

(C) Agent shall have received from the Borrower a Compliance Certificate demonstrating that the Borrower is in compliance with the financial covenants set forth in Section 8 based on the financial statements that have been delivered for the most recently completed four (4) fiscal quarters, both before and after giving effect on a pro forma basis to the incurrence of the Incremental Increase and any other event consummated in connection therewith giving rise to a pro forma basis adjustment;

(D) the Borrower shall have executed the Incremental Amendment in form and substance reasonably acceptable to Agent; and

(E) Agent shall have received from the Borrower any customary legal opinions or other documents (including a resolution duly adopted by the board of directors (or equivalent governing body) of the Borrower authorizing the Incremental Increase) reasonably requested by Agent in connection with the Incremental Increase.

(iv) **Incremental Amendments.** The Incremental Increase shall be effected pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower and Agent, which Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of Agent, to effect the provisions of this Section 2.2(c).

- (v) **Use of Proceeds.** The proceeds of any Incremental Increase shall be used by the Borrower consistent with Section 7.13.

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(c) **Defaulting Lenders.**

(i) Notwithstanding the provisions of Section 2.3(b)(ii), the Borrower shall make any payments that, but for this Section 2.2(e), would be due and payable to a Defaulting Lender, directly to Agent, and Agent shall not be obligated to transfer to a Defaulting Lender any payments made by the Borrower to Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments (A) first, to each Non-Defaulting Lender ratably in accordance with their Pro Rata Share (but, in each case, only to the extent that such Defaulting Lender's portion of the funding obligation was funded by such other Non-Defaulting Lender), (B) to a suspense account maintained by Agent, the proceeds of which shall be retained by Agent, and (C) from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender in accordance with tier (I) of Section 2.3(b)(ii). Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Pro Rata Share in connection therewith), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Pro Rata Share shall be deemed to be zero. The provisions of this Section 2.2(e) shall remain effective with respect to such Defaulting Lender until the earlier of (x) the date on which all of the Non-Defaulting Lenders, Agent, and the Borrower shall have waived, in writing, the application of this Section 2.2(e) to such Defaulting Lender, and (y) the date on which such Defaulting Lender makes payment of all amounts that it was obligated to fund hereunder, pays to Agent all amounts owing by Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by Agent or the Borrower, provides adequate assurance of its ability to perform its future obligations hereunder. The operation of this Section 2.2(e) shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Loan Party of its duties and obligations hereunder to Agent or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement. In the event of a direct conflict between the priority provisions of this Section 2.2(e) and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.2(e) shall control and govern.

(ii) Notwithstanding anything else set forth herein, during the time period that the provisions of this Section 2.2(e) shall remain effective with respect to a Defaulting Lender, if the Borrower prepays all or any part of the principal balance as set forth in Section 2.3(e) or Section 2.3(f) during such time period, any Make-Whole Premium and/or Exit Fee due and payable to any such Defaulting Lender in connection with such prepayment shall be deemed to have been irrevocably waived by such Defaulting Lender.

(f) **Independent Obligations.** It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Loan (or other extension of credit) hereunder, nor shall any Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

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2.3 **Payments; Termination of Commitments; Prepayments**

(a) **Payments by the Borrower.** Except as otherwise expressly provided herein, (i) all payments by the Borrower due and payable to any Lender pursuant to this Agreement shall be made for the benefit of such Lender to Agent's Account (for subsequent distribution to each Lender) and shall be made in immediately available funds, no later than 3:00 p.m. (New York time) on the date specified herein and (ii) all payments by the Borrower due and payable to Agent pursuant to this Agreement shall be made to Agent at Agent's Account and shall be made in immediately available funds, no later than 3:00 p.m. (New York time) on the date specified herein. Any payment received by Agent or any Lender later than 5:00 p.m. (New York time) shall be deemed to have been received (unless Agent or such Lender, as applicable, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day; *provided that* the failure of the Borrower to make a payment to Agent's Account on or before 3:00 p.m. (New York time) in accordance with the foregoing shall not constitute a Default or an Event of Default so long as such payment is received on the applicable due date provided herein.

(b) **Apportionment and Application.**

(i) So long as no Application Event has occurred and is continuing, all principal and interest payments made by the Borrower shall be paid ratably to the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses made by the Borrower (other than fees or expenses that are for Agent's separate account, which fees and expenses shall be paid to Agent) shall be paid ratably to each Lender according to such Lender's Pro Rata Share of the type of commitment or Obligation to which a particular fee or expense relates. Subject to any applicable regulatory requirements (including any licensing requirements promulgated by applicable Governmental Authorities or Regulatory Authorities), all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to be distributed to the Borrower (to be wired to the Designated Account) or such other Person entitled thereto under Applicable Law. If any Lender shall receive any amounts with respect to the Obligations at any time that an Application Event has occurred and is continuing, such Lender shall receive such amounts as trustee for Agent, and such Lender shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.3(b)(ii).

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent or any Lender and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, if such Application Event occurs prior to the Senior Notes Termination Date, to repay all principal, interest and other amounts due to the holders of the Senior Notes;

(B) second, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents until paid in full,

(C) third, to the extent not paid under clause (B) above, ratably, to pay any fees or premiums then due to Agent and the Lenders under the Loan Documents until paid in full,

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(D) fourth, ratably to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents until paid in full,

(E) fifth, to the extent not paid under clause (C) above, ratably, to pay any fees or premiums then due to any of the Lenders under the Loan Documents until paid in full,

(F) sixth, to pay interest accrued with respect to the Term Loans, ratably, until paid in full,

(G) seventh, to pay the outstanding principal balance of the Term Loans to the next four (4) scheduled principal installments and any remaining thereafter, ratably in the inverse order of the maturity of the installments due thereunder, until such Loans are paid in full,

(H) eighth, to pay any other Obligations other than Obligations owed to Defaulting Lenders until paid in full;

(I) ninth, ratably to pay any Obligations owed to Defaulting Lenders until paid in full; and

(J) tenth, to the Borrower (to be wired to the Designated Account) or such other Person entitled thereto under Applicable Law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive.

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.3(b)(i) shall not apply to any payment made by the Borrower to Agent and specified by the Borrower to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(v) For purposes of Section 2.3(b)(ii), “paid in full” of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.3 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other.

(c) **Termination and Reduction of Commitments.** The Commitments to make a Term Loan shall automatically terminate upon the making of such Term Loan. The Borrower may terminate this Agreement and the Commitments hereunder pursuant to Section 3.6.

(d) **Amortization.** Beginning on April 1, 2024, the Borrower shall repay the Term Loans in an amount equal to ten percent (10.00%) per annum of the total amount of Term Loans funded to date, in equal quarterly installments on the first business day of each calendar quarter; provided that, the final principal repayment installment of the Term Loans repaid on the Maturity Date shall be, in any event, in an amount equal to the Outstanding Amount on such date.

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(e) **Optional Prepayments.** After the Senior Notes Termination Date, subject to Section 2.3(g) and any other applicable terms and conditions of this Agreement, the Borrower may, upon at least five (5) Business Days’ prior written notice to Agent, prepay all or any part of the Outstanding Amount.

(f) **Mandatory Prepayments.** After the Senior Notes Termination Date, within three (3) Business Days following the date of receipt by any Loan Party of Net Cash Proceeds exceeding \$5,000,000 individually or in the aggregate during any calendar year from one or more voluntary or involuntary sales or dispositions by any Loan Party of property or assets (including all Permitted Dispositions that pursuant to the definition of Permitted Dispositions requires application under this Section 2.3(f) but excluding the Net Cash Proceeds resulting from (i) the sale of Inventory, (ii) the sale of Excluded Property, (iii) sale and leaseback transactions permitted under Section 7.15 herein, (iv) Dispositions made pursuant to subsection (u) of the definition of “Permitted Dispositions”, (v) any public or private sale of Borrower’s Stock, (vi) the conversion of Cash Equivalents and publicly-traded Stock (including without limitation mutual fund securities and publicly traded securities) into cash, and (vii) legal awards or settlements in favor of any Loan Party arising from or relating to the matters set forth on Schedule 2.3(f)(vii) or any other legal award or settlement that is individually less than one million Dollars (\$1,000,000), the Borrower shall prepay the Outstanding Amount in accordance with Section 2.3(h) in an amount equal to one hundred percent (100%) of such Net Cash Proceeds (including condemnation awards and payments in lieu thereof); provided that, so long as (A) no Default or Event of Default shall have occurred and is continuing or would result therefrom, (B) the Borrower shall have given Agent and the Lenders prior written notice of such Loan Party’s intention to apply such monies to the costs of replacement of the properties or assets that are the subject of such sale or Disposition with a similar or “like” asset or the cost of purchase or construction of any other assets useful in the business of the Loan Parties (including Permitted Acquisitions), and (C) the Loan Parties complete such replacement, purchase, or construction within one hundred eighty (180) days after the initial receipt of such monies (or, so long as such Loan Party has, within one hundred eighty (180) days following the initial receipt of such monies, entered into a binding commitment of purchase, construction, repair or restoration, within three hundred sixty five (365) days following the initial receipt of such monies), such Loan Party shall have the option to apply such Net Cash Proceeds to the costs of replacement of the properties or assets that are the subject of such sale or Disposition or the costs of purchase or construction of other assets useful in the business of the Loan Parties unless and to the extent that such applicable period shall have expired without such replacement, purchase or construction being made or completed, in which case, any amounts not reinvested in accordance with the foregoing after expiration of the applicable period above shall be paid to Agent and the Lenders and applied in accordance with Section 2.3(h).

(g) **Make-Whole Premium.**

(i) If the Borrower prepays all or any part of the Outstanding Amount of any Term Loans (voluntarily, pursuant to any mandatory prepayment required under Section 2.3(f) or as a result of acceleration of the Term Loans (other than amortization payments pursuant to Section 2.3(d)), whether before or after an Event of Default, Borrower shall pay to each Lender entitled to a portion of such prepayment an amount equal to such Lender’s Pro Rata Share of the Make-Whole Premium.

(ii) Notwithstanding anything herein to the contrary, the parties hereto agree to the fullest extent permitted by Applicable Law, that (x) any and all Make-Whole Premiums shall constitute Obligations and (y) all applicable Make-Whole Premium calculated as set forth herein shall be due and owing in connection with any prepayment of the Loans.

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(h) **Application of Payments.** Each prepayment made pursuant to Section 2.3(e) or Section 2.3(f) shall be accompanied by (i) the payment of accrued

and unpaid interest to the date of such payment on the amount prepaid and (ii) the applicable Make-Whole Premium, if any. Each such prepayment of the Term Loans so allocated shall be applied to the Term Loans to ratably reduce all remaining scheduled installments of principal (which, for the avoidance of doubt, shall include any amount that is due and payable on the Maturity Date). Each prepayment pursuant to Section 2.3(e) or Section 2.3(f) shall (i) so long as no Application Event shall have occurred and be continuing, be applied, to the Outstanding Amount as set forth in Section 2.3(b)(i) until paid in full and (ii) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.3(b)(ii).

2 . 4 **Promise to Pay.** The Borrower promises to pay all of the Obligations (including principal, interest, premiums, if any (including any Make-Whole Premiums), fees, costs, and expenses (including Lender Group Expenses)) in full on the Maturity Date or, if earlier, on the date on which the Obligations become due and payable pursuant to the terms of this Agreement. The Borrower agrees that its obligations contained in the first sentence of this Section 2.4 shall survive payment or satisfaction in full of all other Obligations.

2.5 **Interest Rates, Payments and Calculations**

(a) **Interest Rate.** All Outstanding Amounts that have been charged to the Loan Account pursuant to the terms hereof shall bear interest payable in cash on the outstanding balance thereof at a rate per annum equal to 9.50% (the "Interest Rate").

(b) **Default Rate.** Upon the occurrence and during the continuation of an Event of Default prior to the Senior Notes Termination Date and at the written election of the Required Lenders, the Outstanding Amount shall bear interest from the date of the occurrence of such Event of Default at a per annum rate equal to the default interest rate set forth in the Senior Notes Loan Documents. Upon the occurrence and during the continuation of an Event of Default on or after the Senior Notes Termination Date and at the written election of the Required Lenders (or automatically while any Event of Default under Section 9.1(a), Section 9.1(d) or Section 9.1(e) exists), all outstanding Obligations shall bear interest from the date of the occurrence of such Event of Default at a per annum rate equal to 1.5x the per annum rate otherwise applicable to the Outstanding Amounts hereunder or under any other Loan Document (or, in the case of any amounts that do not otherwise bear interest, at a rate equal to 1.5x the per annum interest rate otherwise payable hereunder), payable in cash.

(c) **Payment.**

(i) Except as expressly provided herein to the contrary:

(A) all interest payable hereunder or under any of the other Loan Documents shall be due and payable in cash, in arrears, on each Payment Date commencing after the Closing Date;

(B) all Lender Group Expenses and all other costs and expenses payable hereunder or under any of the other Loan Documents shall be due and payable on the later of (x) 30 days after the date on which the applicable costs, expenses, or Lender Group Expenses were first invoiced to the Borrower and (y) five (5) Business Days following the date on which demand therefor is made by Agent or such Lender, as applicable.

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(ii) The Borrower hereby authorizes Agent and the Lenders, from time to time to charge to the Loan Account (i) on each Payment Date, all interest accrued during the prior quarter on any Loan hereunder; (ii) as and when due in accordance with Section 2.5(c)(i)(B), all Lender Group Expenses, and (iii) as and when due and payable all other fees or other payment obligations payable hereunder or under any other Loan Document.

(iii) All amounts (including interest, premiums, if any (including any Make-Whole Premium), fees, Original Issue Discount, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document) charged to the Loan Account shall thereupon constitute Obligations hereunder, and shall initially accrue interest at the rate then applicable to the Loans.

(d) **Computation.** All interest and applicable fees chargeable under the Loan Documents shall be computed on the basis of a three hundred sixty five (365) day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue.

(e) **Intent to Limit Charges to Maximum Lawful Rate.** In no event shall the Interest Rate or rates payable under this Agreement or any other Loan Document, plus any other amounts paid in connection herewith or therewith, exceed the highest rate permissible under any Applicable Law that a court of competent jurisdiction shall, in a final determination, deem applicable. The Borrower and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; *provided that* anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under Applicable Law, then, *ipso facto*, as of the date of the Closing Date, the Borrower is and shall be liable only for the payment of such maximum amount as is allowed by Applicable Law, and payment received from the Borrower in excess of such legal maximum, whenever received, shall be applied to reduce the Outstanding Amount of the Obligations to the extent of such excess.

2.6 **Fees.**

(a) **Upfront Fee.** An upfront fee in the amount equal to 0.50% on the principal amount funded of each Term Loan (the "Upfront Fee"), which shall be fully earned as of the date of each Term Loan and paid by the Borrower on the date of such Term Loan. All Upfront Fees paid to Agent shall be distributed to the applicable Lenders based on their Pro Rata Share.

(b) **Standby Fee.** During the Draw Period for the Term Loans, an unused line fee ("Standby Fee") in the amount equal to 2.25% (which shall automatically be reduced to 1.50% upon the occurrence, if ever, of the Senior Notes Termination Date) per annum of (i) the Original Term Loan Amount that has not been drawn by Borrower *minus* (ii) the sum of the daily average of the Outstanding Amount of the Term Loans for the preceding calendar quarter. The Standby Fee shall be paid by the Borrower quarterly in arrears on the first Business Day of each calendar quarter.

(c) **Exit Fee.** An exit fee in the amount equal to 1.50% of the Original Term Loan Amount repaid or due (excluding any unfunded Commitments if payable during the applicable Draw Period) (the "Exit Fee"), which shall be fully earned as of the Closing Date, but paid by the Borrower upon the earliest to occur of (A) the Maturity Date, (B) any repayment of the principal balance of the Term Loans for any reason (whether partial or full repayment and whether before or after an Event of Default by reason of acceleration, optionally or mandatorily, or for any reason whatsoever), (C) the occurrence of an Event of Default and the exercise by Agent of any rights or remedies, including without limitation, the acceleration of the Loans, and (D) the occurrence of an Event of Default under Section 9.1(d) or Section 9.1(e) or an Insolvency Proceeding is filed by or against the Borrower or any Guarantor or all or any part of their properties. All Exit Fees paid to Agent shall be distributed to the Lenders on a pro rata basis based on the Lender's Pro Rata Share of the Commitments. Notwithstanding the foregoing, no Exit Fees shall be payable with respect to any Term Loan repayment that occurs after the Senior Notes Termination Date.

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(d) **Original Issue Discount.** On each date of funding of a Term Loan, an amount equal to the Original Issue Discount for such Term Loan shall be charged to the Loan Account.

(e) All fees and Original Issue Discount due and payable hereunder shall be irrevocable when paid or charged, as applicable.

2.7 **Crediting Payments.** The receipt of any payment item by Agent or any Lender shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account, or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then the Borrower shall be deemed not to have made such payment and interest shall be calculated accordingly.

2.8 **Designated Account.** Agent and each Lender is authorized to make the Loans under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Person. The Borrower agrees to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Loans in accordance with the Escrow Agreement.

2.9 **Maintenance of Loan Account; Statements of Obligations.** Agent shall maintain an account on its books in the name of the Borrower, (the "Loan Account") on which the Borrower will be charged with the Term Loan, and with all other payment Obligations hereunder or under the other Loan Documents, including accrued interest, premiums, if any (including any Make-Whole Premiums), fees and expenses, Lender Group Expenses, and any other fees and expenses. In accordance with Section 2.7, the Loan Account will be credited with all payments received by Agent or any Lender from the Borrower or for the Borrower's account. Agent and/or the Lenders shall endeavor to provide statements regarding the Loan Account to the Borrower, including principal, interest, fees, and including an itemization of all charges and expenses constituting Lender Group Expenses owing (but neither Agent nor any Lender shall have any liability if Agent and/or the Lenders shall fail to provide any such statement), and such statements, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between the Borrower and the Lender Group unless, within thirty (30) days after Agent first makes such a statement available to the Borrower (or such longer period as Required Lenders may agree in their sole discretion), the Borrower shall deliver to Agent and the Lenders written objection thereto describing the error or errors contained in any such statements.

2.10 **Financial Examination and Other Fees.** The Borrower shall pay to Agent financial examination, audit, inspection, appraisal, and valuation fees and charges, as and when incurred or chargeable, as follows: (i) reasonable and documented out of pocket expenses for each financial examination, audit, or inspection of any Loan Party performed by personnel employed by Agent, and (ii) fees and charges paid or incurred by Agent (plus reasonable and documented out of pocket expenses (including travel, meals, and lodging)) if it elects to employ the services of one or more third party Persons to perform financial examinations, audits or quality of earnings analyses of the Loan Parties, to appraise the Collateral, or any portion thereof, or to assess the Loan Parties' business valuation; provided that, except upon the occurrence of an Event of Default, Borrower shall only be required to pay to Agent the costs and expenses for one (1) financial examination, audit, inspection, appraisal, and valuation for the Loan Parties as a whole, up to an aggregate amount of \$50,000 for each calendar year.

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2.11 **Capital Requirements.**

(a) If, after the Closing Date, any Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital or reserve requirements for banks or bank holding companies, or any change in the interpretation, implementation, or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request, or directive of any such entity regarding capital adequacy or liquidity (whether or not having the force of law), has the effect of reducing the return on such Lender's or such holding company's capital as a consequence of such Lender's Commitments hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and liquidity) by any amount deemed by such Lender to be material, then such Lender may notify the Borrower and Agent thereof. Following receipt of such notice, the Borrower agrees to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within thirty (30) days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error) *provided that* (x) Borrower shall not be obligated to pay such reduction amount prior to the Senior Notes Termination Date and (y) interest shall commence to accrue on any such reduction amount at the Interest Rate 30 days after the presentation of such statement by the relevant Lender and such reduction amount shall become due and payable, together with any such accrued interest, on the Senior Notes Termination Date. In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided that* the Borrower shall not be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than one hundred twenty (120) days prior to the date that such Lender notifies the Borrower of such law, rule, regulation or guideline giving rise to such reductions and of such Lender's intention to claim compensation therefor; *and provided, further, that* if such claim arises by reason of the adoption of or change in any law, rule, regulation or guideline that is retroactive, then the one hundred twenty (120)-day period referred to above shall be extended to include the period of retroactive effect thereof, *provided in all events that* the aggregate compensation due to any Lender under this Section 2.11(a) shall not cause the effective Interest Rate (including after giving effect to such compensation hereunder as part of the applicable Interest Rate) to exceed 13.5%.

(b) If any Lender requests additional or increased costs or amounts under Section 2.11(a) (any such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(a), as applicable, and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate the Borrower's obligations to pay any future amounts to such Affected Lender pursuant to Section 2.11(a), as applicable, then the Borrower (without prejudice to any amounts then due to such Affected Lender under Section 2.11(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.11(a), as applicable, seek a substitute Lender reasonably acceptable to Agent (the consent of Agent not to be unreasonably withheld, conditioned or delayed) to purchase the Obligations owed to such Affected Lender (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations, pursuant to an Assignment and Acceptance Agreement, and upon such purchase by the Replacement Lender, such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender shall cease to be a "Lender" for purposes of this Agreement.

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(c) Notwithstanding anything herein to the contrary, the protections of Section 2.11 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for lenders affected thereby to comply therewith.

(d) Notwithstanding anything herein to the contrary, including subsections (a)-(c) of this Section 2.11, no Lender shall be entitled to make a claim for

compensation under this Section 2.11 unless such Lender shall be subject to the capital or reserve requirements or capital adequacy and liquidity laws, rules, guidelines, requests, or directives contemplated herein.

2.12 **Senior Notes Refinancing.** Borrower may, at any time after the date hereof, solicit, initiate or encourage submissions of proposal to, or participate in discussions or negotiations regarding, refinancing the Indebtedness under the Senior Notes (a “Senior Notes Refinancing Proposal”). In the event Borrower receives a bona fide Senior Notes Refinancing Proposal (whether binding or non-binding) from a third party (a “Senior Notes Refinancing Lender”) in connection with the refinancing of the Indebtedness under the Senior Notes, Borrower shall provide Agent with a copy of such Senior Notes Refinancing Proposal, and Agent shall have the right on behalf of the Lenders, upon written notice to Borrower within ten (10) days of Agent’s receipt of the Senior Notes Refinancing Proposal, to elect to have the Lenders contribute up to fifty percent (50%) of the funds to be used to refinance the Indebtedness under the Senior Notes upon such terms and conditions as are set forth in the Senior Notes Refinancing Proposal; provided that (i) the Senior Notes Refinancing Proposal must provide that the Obligations shall be secured on at least a pari passu basis with the proposed refinancing Indebtedness on all of the Collateral (and on a senior basis to such proposed refinancing Indebtedness on the Acquired Financed Loan Party Collateral) and (ii) any affirmative covenants, negative covenants, or financial covenants under the refinancing Indebtedness that are less favorable to the Borrower than the provisions hereof shall have been added to this Agreement via amendment. Upon the expiration of such ten (10) day period, Borrower may proceed with the refinancing of the Indebtedness under the Senior Notes (the “Senior Notes Refinancing”) upon the terms and conditions set forth in the Senior Notes Refinancing Proposal (including with Agent and the Lenders to the extent the Lenders have elected to participate in such refinancing). In connection with such refinancing, the Senior Notes Refinancing Lender(s) may receive pari passu Liens on all the Collateral (excluding the Acquired Financed Loan Party Collateral), and Agent shall enter into an intercreditor agreement and/or such other documentation upon the terms and conditions set forth in the Senior Notes Refinancing Proposal and such other customary terms as Borrower or any Senior Notes Refinancing Lender(s) shall request in connection with the establishment of pari passu Liens on the Collateral. Each Lender hereby acknowledges and agrees that that Agent may, on such Lender’s behalf, enter into an intercreditor agreement and/or such other documentation upon the terms and conditions set forth in the Senior Notes Refinancing Proposal and such other customary terms as Borrower or any Senior Notes Refinancing Lender(s) shall request in connection with the establishment of pari passu Liens on the Collateral, and entry into any such agreements by Agent shall be binding on such Lender for all intents and purposes.

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2.13 **Financing for Permitted Acquisitions.**

(a) Prior to any Loan Party effectuating a Threshold Acquisition during the Draw Period, the Borrower shall notify Agent thereof in writing and shall in such written notice (x) include copies of the Permitted Acquisition Documents and any other materials that may be requested by Agent pursuant to Section 3.3(a)(v) with respect to the applicable Permitted Acquisition to the extent available at such time and (y) offer the Lenders the exclusive right to finance such acquisition by making Additional Term Loans pursuant to the terms and conditions of this Agreement (the “Permitted Acquisition Financing Notice”). If Agent, on behalf of the Lenders, wishes to accept such offer, Agent shall so notify the Borrower within 10 calendar days of its receipt of the Permitted Acquisition Financing Notice (such 10 day period is referred to herein as the “Exclusivity Period”). During the Exclusivity Period, the Borrower shall not solicit, initiate or encourage submissions of similar financings or participate in any discussions or negotiations regarding such similar financings, and shall use commercially reasonable efforts to promptly respond to such reasonable information requests regarding the applicable Threshold Acquisition as Agent may have. If Agent agrees in writing that the Lenders will finance such Threshold Acquisition prior to the expiration of the Exclusivity Period, the Borrower shall promptly submit a Term Loan Request for an Additional Term Loan and the Lenders will fund the Additional Term Loan subject to the terms and conditions of this Agreement.

(b) If Agent does not accept the offer to finance such Threshold Acquisition prior to the expiration of the applicable Exclusivity Period, the Borrower shall be deemed authorized to solicit, initiate or encourage submissions of similar financings or participate in any discussions or negotiations regarding such similar financings, *provided* that to the extent the monetary terms and conditions of any such third party financing that the Borrower intends to accept are materially different from the terms set forth in the Permitted Acquisition Financing Notice, the Borrower shall notify Agent of such revised terms in writing and Agent and the Lenders shall have the exclusive option during the 10 calendar days from the receipt of such notice to agree in writing to finance the Threshold Acquisition on the same monetary terms and conditions as such similar financing (such 10 day period is referred to herein as the “Second Exclusivity Period”). Failure of Agent to respond in writing to such notice prior to the expiration of the Second Exclusivity Period shall be deemed an election to reject the offer and the Borrower may thereafter proceed to execute definitive documentation for such third party financing, incur Permitted Indebtedness thereunder, and grant Permitted Liens (including Permitted Priority Liens, as applicable) in connection therewith.

(c) For the avoidance of doubt, any Permitted Acquisition prior to expiration of the Draw Period that is not a Threshold Acquisition will not be subject to this Section 2.13, and the Loan Parties may pursue third party financing that constitutes Permitted Indebtedness for any such Permitted Acquisition pursuant to subsection (k) of the definition of “Permitted Indebtedness”, and grant Permitted Liens (including Permitted Priority Liens, as applicable) in connection therewith. To the extent a Permitted Acquisition is funded with third party financing in accordance with this Section 2.13 (or is exempt from this Section 2.13) and the Loan Parties thereby acquire an Acquired Non-Financed Party, in each case prior to the Senior Notes Termination Date, such Acquired Non-Financed Party shall constitute an Excluded Subsidiary pursuant to subsection (g) of the definition of “Excluded Subsidiaries” until the Senior Notes Termination Date (unless such Acquired Non-Financed Party otherwise qualifies as an Excluded Subsidiary on another basis), and, after the Senior Notes Termination Date, shall be subject to Section 6.11 herein. For the avoidance of doubt, after the expiration of the Draw Period, the Loan Parties shall have no obligation under this Section 2.13.

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3. **CONDITIONS; TERM OF AGREEMENT.**

3.1 **Conditions Precedent to the Initial Extension of Credit.** The obligation of each Lender to make its initial extension of credit provided for hereunder is subject to the fulfillment, to the satisfaction of Agent, of each of the following conditions precedent:

(a) Agent shall have received each of the following documents, in form and substance reasonably satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

- (i) this Agreement;
- (ii) the Existing Party Guaranty and Security Agreement;
- (iii) the Acquired Financed Loan Party Guaranty and Security Agreement for Nature’s Remedy of Massachusetts Inc.;
- (iv) a completed Perfection Certificate; and
- (v) the Funds Flow.

(b) Agent shall have received:

(i) a certificate, in form and substance reasonably satisfactory to Agent, from an officer or member of each Loan Party (A) attesting to the resolutions of such Loan Party's board of directors (or equivalent governing body or sole member) authorizing its execution, delivery, and performance of the Loan Documents to which it is a party and authorizing specific natural persons to execute the same, (B) attesting to the incumbency and signatures of such natural persons, certifying as to such Loan Party's Governing Documents, as of the Closing Date (and with respect to Governing Documents that are charter documents, certified as of a recent date (not more than thirty (30) days prior to the Closing Date) by the appropriate governmental official) and (C) attaching a certificate of status with respect to such Loan Party, dated not more than thirty (30) days prior to the Closing Date, issued by the appropriate officer of the jurisdiction of organization of such Loan Party, which certificate shall indicate that such Loan Party is in good standing (if applicable) in such jurisdiction;

(ii) a certificate, in form and substance reasonably satisfactory to Agent, from the Chief Executive Officer, Chief Financial Officer or similar such officer of Borrower certifying that, on behalf of each Loan Party, after giving effect to the initial Loans and transactions hereunder, (A) the Loan Parties, on a consolidated basis, are Solvent, (B) no Default or Event of Default exists, (C) the representations and warranties set forth in Section 4 are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) and (D) each Loan Party has complied with all conditions to be satisfied by it under the Loan Documents except to the extent waived or permitted to be delivered pursuant to Section 3.7;

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(iii) a customary opinion of the Loan Parties' U.S. and Canadian counsel, each in form and substance reasonably satisfactory to Agent;

(iv) a copy of the Escrow Agreement duly executed by the Borrower and the Escrow Agent.

(v) all documentation and other information for each Loan Party required by bank regulatory authorities under applicable "know your customer" procedures and Money Laundering Laws, including the Patriot Act to the extent requested at least five (5) days prior to the Closing Date, and such documentation and information shall be reasonably satisfactory to Agent and the Required Lenders;

(vi) evidence that appropriate financing statements will be duly filed promptly following closing in such office or offices as may be necessary or, in the reasonable opinion of Agent, desirable to perfect Agent's Lien's in the Collateral;

(vii) (A) a summary of all existing insurance coverage, (B) evidence acceptable to Agent that the insurance policies required by Section 6.7 have been obtained and are in full force and effect, and (C) certificates of insurance with respect to all existing insurance coverage, which certificates shall name Agent as an additional insured and/or loss payee and shall evidence compliance with Section 6.7; and

(viii) executed (and, if applicable, recorded) copies of all other material documents in connection with the transactions contemplated by this Agreement in form and substance reasonable satisfactory to Agent.

(c) [Reserved];

(d) Each Loan Party shall have received all other governmental, regulatory and third party approvals (including shareholder approvals and other consents) necessary to be obtained on or before the Closing Date in connection with this Agreement and the transactions contemplated by the Loan Documents, which shall all be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement, the transactions contemplated by the Loan Documents; and

(e) The representations and warranties of the Loan Parties contained in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of the Closing Date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of such earlier date;

(f) No injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the making of the Initial Term Loan on the Closing Date shall have been issued and remain in force by any Governmental Authority against the Borrower, Agent or any Lender;

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(g) After giving effect to the Term Loans as of the Closing Date and the liabilities and obligations of each of the Loan Parties under the Loan Documents, the Loan Parties, on a consolidated basis, shall be Solvent;

(h) No material adverse change in the financial condition of the Loan Parties shall have occurred since December 31, 2020; and

(i) Agent and each Lender shall have received all fees required to be paid, and all expenses required to be reimbursed hereunder (including the reasonable and documented fees and expenses of legal counsel); *provided* that, all such amounts may be paid with proceeds of the Initial Term Loan made on the Closing Date.

3.2 [Reserved].

3.3 Conditions Precedent to Additional Extensions of Credit. The obligation of each Lender to make additional extensions of credit provided for hereunder is subject to the fulfillment, to the satisfaction of Agent and each Lender, of each of the following conditions precedent:

(a) Agent shall have received:

(i) a Term Loan Request requesting the advance of the applicable Term Loans;

(ii) copies of each Permitted Acquisition Document requested by it in connection with the relevant Permitted Acquisition;

(iii) a certificate, in form and substance reasonably satisfactory to Agent, from the Chief Executive Officer, Chief Financial Officer or similar such officer of Borrower:

(A) certifying that, after giving effect to the initial Loans and transactions hereunder (including the transactions contemplated in connection with the relevant Permitted Acquisition), (i) the Loan Parties, on a consolidated basis, are Solvent, (ii) no Default or Event of Default shall exist, based on the

financial statements most recently delivered to Agent pursuant to Section 5.3 or Section 6.1, as applicable, as adjusted on a pro forma basis including the Target based on pro forma assumptions mutually agreed by the Borrower and Agent in good faith, (iii) the representations and warranties set forth in Section 4 are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof), *provided* however, that it shall not be a violation of this subsection if any representation and warranty would become untrue and incorrect solely because of any act or omission of the Target(s) being acquired in any Permitted Acquisition and such untrue and incorrect representation would not reasonably be expected to have an adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect, (iv) the proceeds of the requested Term Loan will be used for a permitted use herein, and (v) each Loan Party has complied with all conditions to be satisfied by it under the Loan Documents except to the extent waived or permitted to be delivered pursuant to Section 3.7; and

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(B) representing and warranting that, as of the date of the requested Additional Term Loan funding and in each case with respect to the Permitted Acquisition that will be financed with the proceeds of such Term Loan: (1) the Borrower has furnished Agent with true and correct copies of the material Permitted Acquisition Documents; (2) each of the representations and warranties contained in the Permitted Acquisition Documents made by any Loan Party thereunder is true and correct in all material respects; (3) to the actual knowledge of the Loan Parties, each of the representations and warranties contained in the Permitted Acquisition Documents made by the other parties thereto are true and correct in all material respects or would not, in the aggregate, be likely to cause a Material Adverse Effect if waived by the applicable Loan Parties; (4) the Permitted Acquisition will comply with all applicable material legal requirements in all material respects and may be reasonably relied on by Agent and Lenders, in each case of the foregoing clauses (2) and (3), subject to scheduled exceptions thereto; (5) all necessary governmental, regulatory, creditor, shareholder, partner and other material permits, licenses, authorizations, consents, approvals and exemptions required to be obtained by the Loan Parties on or before the closing thereof and each of the foregoing shall be in full force and effect, in each case except where the failure to obtain such material permits, licenses, authorizations, consents, approvals and exemptions could have no adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect, and, to Loan Parties' actual knowledge, each other party to the Permitted Acquisition Documents have been duly obtained and are in full force and effect to the extent required at such time; (6) all applicable waiting periods with respect to the Permitted Acquisition that are required to expire on or before the closing thereof have expired without any action being taken by any competent Governmental Authority that restrains, prevents or imposes material adverse conditions upon the consummation of the Permitted Acquisition, and no action, request for stay, petition for review or rehearing, reconsideration or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired, except where any such action could have no adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect; and (7) the execution and delivery of the Permitted Acquisition Documents do not, and the consummation of the Permitted Acquisition will not, violate any Applicable Law (excluding Federal Cannabis Laws but including any securities law) or any order, judgment or decree of any Governmental Authority, or result in a breach of, or constitute a default under, any Material Contract or any judgment, order or decree, to which any Loan Party is a party or by which any Loan Party is bound; and

(iv) to the extent reasonably requested by Agent, executed (and, if applicable, recorded) copies of all other documents and legal matters in connection with the transactions contemplated by this Agreement in form and substance satisfactory to Agent (with such redactions as the Borrower may reasonably make to the extent sharing such information (i) would reasonably be expected to jeopardize an attorney-client privilege or (ii) result in a conflict of interest);

(v) a copy of each investor memorandum and Board of Director presentations prepared by or on behalf of the Borrower in connection with the relevant Permitted Acquisition (with such redactions as the Borrower may reasonably make to the extent sharing such information (i) would reasonably be expected to jeopardize an attorney-client privilege or (ii) result in a conflict of interest);

(vi) Agent's investment committee's approval of such extension of Additional Term Loans.

(b) Each applicable Lender shall have received a Note with respect to such Term Loans, in form and substance reasonably satisfactory to such Lender, duly executed and delivered, and in full force and effect;

(c) no Default or Event of Default shall exist, based on the financial statements most recently delivered to Agent pursuant to Section 5.3 or Section 6.1, as applicable, as adjusted on a pro forma basis including the Target based on pro forma assumptions mutually agreed by the Borrower and Agent in good faith and set forth in a pro forma calculation the Borrower's compliance with the financial covenants in Section 8 herein, which calculation shall be in form and substance reasonably acceptable to Agent;

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(d) The representations and warranties of the Loan Parties contained in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of the date of the additional extension of credit (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of such earlier date;

(e) No injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, (i) the making of the Term Loan on the date of the additional extension of credit or (ii) the consummation of the Permitted Acquisition to be financed with the proceeds of such Term Loan, shall have been issued and remain in force by any Governmental Authority or Regulatory Authority against the Borrower, Agent or any Lender or, with respect to such Permitted Acquisition, any other party thereto;

(f) After giving effect to the Term Loans as of the date of the additional extension of credit, and the liabilities and obligations of each of the Loan Parties under the Loan Documents, the Loan Parties, on a consolidated basis, shall be Solvent;

(g) [Reserved];

(h) No Default or Event of Default shall have occurred and be continuing as of the date of the additional extension of credit, nor shall either result from the making of the Term Loans on the date of the additional extension of credit; and

(i) Agent and each Lender shall have received all fees required to be paid, and all expenses required to be reimbursed hereunder (including the reasonable and documented fees and expenses of legal counsel); *provided that*, all such amounts may be paid with proceeds of the Term Loans made on the date of the additional extension of credit.

3.4 **Term.** Subject to Section 3.6, this Agreement shall continue in full force and effect for a term ending on the Maturity Date. The foregoing notwithstanding, the Lender Group, upon the election of the Required Lenders, shall have the right to terminate its obligations under this Agreement immediately and without notice upon the occurrence and during the continuation of an Event of Default (other than any Event of Default described in Section 9.1(d) or Section 9.1(e), each of which shall automatically

3.5 **Effect of Maturity.** On the Maturity Date, all of the Obligations immediately shall become due and payable without notice or demand and the Borrower shall be required to repay all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full. No termination of the obligations of the Lender Group (other than payment in full of the Obligations and termination of the Commitments set forth in Schedule C-1) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations (other than contingent obligations in respect of which no claim has been made) have been paid in full. When all of the Obligations (other than contingent obligations in respect of which no claim has been made) have been paid in full, Agent will, at the Borrower's sole expense, execute and deliver any termination statements (or, alternatively, in Agent's sole discretion, at the Borrower's sole expense, authorize the Loan Parties to file termination statements), lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary or requested by the Borrower to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent with respect to the Obligations.

3.6 **Early Termination by the Borrower.** The Borrower has the option, at any time after the Senior Notes Termination Date, subject to Section 2.3(g), and upon five (5) Business Days prior written notice to Agent, to terminate this Agreement and terminate the Commitments hereunder by paying to the Lenders, all of the Obligations, in full. If the Borrower has sent a notice of termination pursuant to the provisions of this Section 3.6, then the Commitments shall terminate and the Borrower shall be obligated to repay the Obligations (other than contingent obligations in respect of which no claim has been made) in full on the date set forth as the date of termination of this Agreement in such notice. The foregoing notwithstanding, the Borrower may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of third party Indebtedness or other transactions if the closing for such issuance, incurrence or other transaction does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination).

3.7 **Conditions Subsequent.** The obligation of the Lender Group (or any member thereof) to continue to extend Loans (or otherwise make extensions of credit hereunder) is subject to the fulfillment, on or before the date applicable thereto (as such date may be extended in Agent's reasonable discretion), each of the following conditions subsequent:

- (a) Within 60 days after the Closing Date (or such later date as may be agreed to by Agent in its sole discretion), Agent shall have received a duly executed Acquired Financed Loan Party Mortgage for the Acquired Financed Loan Party Real Property of Nature's Remedy of Massachusetts Inc.
- (b) Within 30 days after the Closing Date (or such later date as may be agreed to by Agent in its sole discretion), Agent shall have received a duly executed Intellectual Property Security Agreement for the Intellectual Property of Nature's Remedy of Massachusetts Inc.
- (c) Within 30 days after the Closing Date (or such later date as may be agreed to by Agent in its sole discretion), endorsements to the insurance certificates delivered to Agent pursuant to Section 3.1(b)(vii) with respect to all existing insurance coverage, which endorsements shall name Agent as an additional insured and/or loss payee, as applicable.

The failure by the Borrower to so perform or cause to be performed such conditions subsequent as and when required by this Section 3.7 (unless such date is extended in writing by Required Lenders), shall constitute an Event of Default (after expiration of any notice and/or cure periods set forth herein).

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each Loan Party makes the following representations and warranties to the Lender Group:

4.1 **Title to Assets; No Encumbrances.** Each of the Loan Parties has (a) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (b) good and marketable title to (in the case of all other real or personal property), all of their respective assets reflected in their most recent financial statements delivered pursuant to Section 5.3 or Section 6.1, as applicable, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereby. All of such assets are free and clear of Liens except for Permitted Liens.

4.2 **Specified Acquisition.** The Borrower has furnished Agent with true and correct copies of the material Specified Acquisition Documents. As of the Closing Date, except as would not have a Material Adverse Effect, (i) each of the representations and warranties contained in the Specified Acquisition Documents made by the Borrower and the purchaser thereunder is true and correct and (ii) to the actual knowledge of the Borrower, each of the representations and warranties contained in the Specified Acquisition Documents made by the other parties thereto, is true and correct and may be relied on by Agent and Lenders, in each case of clauses (i) and (ii), subject to scheduled exceptions thereto. As of the Closing Date, the Specified Acquisition has been consummated in accordance with the terms of the Specified Acquisition Documents in all material respects. The Specified Acquisition complies with all applicable material legal requirements in all material respects, except for Federal Cannabis Laws. All necessary governmental, regulatory, creditor, shareholder, partner and other material consents, approvals and exemptions required to be obtained by the Loan Parties in connection with the Specified Acquisition have been duly obtained and are in full force and effect. All applicable waiting periods with respect to the Specified Acquisition have expired without any action being taken by any competent Governmental Authority that restrains, prevents or imposes material adverse conditions upon the consummation of the Specified Acquisition. The execution and delivery of the Specified Acquisition Documents do not, and the consummation of the Specified Acquisition do not, violate any statute or regulation of the United States (including any securities law) or of any state or other applicable jurisdiction, or any order, judgment or decree of any court or governmental body binding on the Loan Parties or, to the Loan Parties' knowledge, any other party to the Specified Acquisition Documents, or result in a breach of, or constitute a default under, any Material Contract or any judgment, order or decree, to which any other party is a party or by which any other party is bound or, to the Loan Parties' knowledge, to which any other party to the Specified Acquisition Documents is a party or by which any such party is bound, in each case except for Federal Cannabis Laws.

4.3 **[Reserved].**

4.4 **Due Organization and Qualification; Subsidiaries**

(a) Each Loan Party (i) is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, as applicable, (ii) is qualified to do business in any state where the failure to be so qualified would reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Transaction Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.4(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this

Agreement), is a complete and accurate description as of the Closing Date of (i) the authorized Stock of each Loan Party and each Subsidiary of each Loan Party, by class and (ii) a description of the number of shares of each such class that are issued and outstanding. Other than as described on Schedule 4.4(b), there are no subscriptions, options, warrants, or calls relating to any shares of any Loan Party's Stock, including any right of conversion or exchange under any outstanding security or other instrument. Other than Permitted Preferred Stock, no Loan Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Stock or any security convertible into or exchangeable for any of its Stock. All of the outstanding Stock of each Loan Party (i) has been validly issued, is fully paid and non-assessable, to the extent applicable, (ii) was issued in compliance with all Applicable Law, and (iii) except with respect to any publicly traded Stock of Borrower (for which no Loan Party makes any representation whatsoever), are free and clear of all Liens other than Permitted Liens.

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(c) Set forth on Schedule 4.4(c) is a complete and accurate list of (i) the jurisdiction of organization of each Loan Party, (ii) the chief executive office of each Loan Party, and (iii) the organizational identification number of each Loan Party (if any).

4.5 **Due Authorization: No Conflict**

(a) The execution, delivery, and performance by each Loan Party of the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) The execution, delivery, and performance by such Loan Party of the Transaction Documents to which it is a party do not and will not (i) violate any material Applicable Law, the Governing Documents of any Loan Party, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any Material Contract of any Loan Party, except to the extent that the proceeds of this Agreement shall be used to satisfy in full or otherwise cancel such Material Contract, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require any approval of any holder of Stock of a Loan Party or any approval or consent of any Person under any Material Contract of any Loan Party, except to the extent that (x) such consents or approvals have been obtained and are still in force and effect or (y) with respect to Material Contracts, such consents or approvals have not been obtained, but the proceeds of this Agreement shall be used to satisfy or otherwise cancel such Material Contracts, thereby rendering such approvals or consents unnecessary, except to the extent that failure to comply with any of the foregoing would not reasonably be expected to result in a Material Adverse Effect.

(c) The execution, delivery, and performance by each Loan Party of the Transaction Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Transaction Documents do not and will not require any Loan Party registration with, consent, or registrations, consents, approvals, notices, or other action with or by, any Governmental Authority, other than Permits, notices, or other actions that (i) have been obtained and that are still in force and effect, or (ii) the failure to obtain which would not reasonably be expected to become a Material Adverse Effect. Notwithstanding the foregoing, any filings and recordings with respect to the Collateral shall be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date.

(d) Each Transaction Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(e) This Agreement and the other Loan Documents, when executed and delivered, will grant to Agent (for the benefit of the Lender Group), upon the filing of the appropriate UCC financing statements with the filing offices listed in the Perfection Certificate, a valid and perfected Lien on the Collateral that is senior to all Liens other than Permitted Priority Liens, solely to the extent perfection can be achieved by such UCC filing.

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4.6 **Litigation**

(a) There are no actions, suits, or proceedings pending or, to the knowledge of any Loan Party, threatened in writing against any Loan Party that either individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect or which in any manner draws into question the validity or enforceability of any of the Transaction Documents.

(b) Schedule 4.6(b) sets forth, as of the Closing Date, to the knowledge of any Loan Party, a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that would reasonably be expected to result in liabilities in excess of, five million Dollars (\$5,000,000) that, as of the Closing Date, is pending or, to the knowledge of each Loan Party, threatened in writing against a Loan Party, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Closing Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties in connection with such actions, suits, or proceedings is covered by insurance. The estimate of costs with respect to such actions, suits, or proceedings set forth on Schedule 4.6(b) represents a reasonable estimate of such costs as of the Closing Date, based on reasonable assumptions made in good faith.

4.7 **Compliance with Laws; Permits; Licenses**

(a) Except as would not have a Material Adverse Effect, no Loan Party nor any of its Subsidiaries (i) is in violation of any Applicable Law or (ii) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(b) None of the Loan Parties has received any written notice from any Governmental Authority alleging that any of the Loan Parties are not in compliance in any material respect with, or may be subject to material liability under, any Applicable Law.

(c) Except as would not have a Material Adverse Effect, the Loan Parties have all the Permits required pursuant to Applicable Laws for the Loan Parties to conduct its business as currently contemplated, and all such Permits are in full force and effect. There are no such Permits held in the name of any Person (other than the Loan Parties) on behalf of any of the Loan Parties.

(d) Except as set forth on Schedule 4.7(d), the Loan Parties on the applicable date this representation is being made have all Cannabis Licenses required to conduct their business as currently conducted or contemplated or the Loan Parties have valid, operative, and enforceable management or services agreements with the holders of the applicable Cannabis Licenses.

4.8 **Historical Financial Statements; No Material Adverse Effect**

All historical financial information relating to the financial condition of the Loan Parties and their Subsidiaries that have been delivered by or on behalf of any Loan Party to Agent and the Lenders (the "Historical Financial Statements") have been prepared in

accordance with Applicable Accounting Standards, except as otherwise expressly noted therein, and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the applicable date of such Historical Financial Statements, none of the Loan Parties has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not, in each case, reflected in the Historical Financial Statements or the notes thereto (to the extent required by Applicable Accounting Standards) and which in any such case is material in relation to the business, operations, properties, assets, or financial condition of the Loan Parties or any of their Subsidiaries taken as a whole. Since December 31, 2020, no event, circumstance, or change has occurred that has or would reasonably be expected to result in a Material Adverse Effect.

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4.9 **Solvency.**

(a) After giving effect to the Term Loan advance on the Closing Date and the liabilities and obligations of each of the Loan Parties under the Transaction Documents, the Loan Parties and their Subsidiaries, on a consolidated basis, are Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10 **Employee Benefits.** No Loan Party, its Subsidiaries nor any of their respective ERISA Affiliates has to such Loan Party's actual knowledge after due inquiry) contributed to or maintained any Benefit Plan, or is liable for any obligations under any Benefit Plan. No ERISA Event has ever occurred or is reasonably expected to occur.

4.11 **Environmental Condition.** Except as would not have a Material Adverse Effect, (a) to the knowledge of each Loan Party, none of the Real Property nor any other Loan Party's or any of their Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries' or by previous owners or operators in the disposal of, or to produce, store, handle, treat, Release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, Release or transport was in violation, in any material respect, of any material Environmental Law, (b) to the knowledge of the Borrower, after due inquiry, there has been no Release of any Hazardous Material, at, to or from any Real Property or any other property owned or leased by any Loan Party or any of their Subsidiaries, (c) no Loan Party nor any of its Subsidiaries has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any Real Property owned or operated by a Loan Party, and (d) to the knowledge of each Loan Party, no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any Environmental Action or any consent decree or settlement agreement with any Person relating to any Environmental Law or Environmental Liability.

4.12 **Real Property.**

(a) Schedule 4.12(a) sets forth a correct and complete list as of the Closing Date of the location, by state and street address, of all Real Property owned by any Loan Party with a value in excess of \$500,000 or leased by any Loan Party where Collateral in excess of \$500,000 in value is located, identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

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(b) Each Loan Party has title, subject to matters of record disclosed in the title commitments referenced on Schedule 4.12(b), to, or valid leasehold interests in, all such Real Property, and none of the Real Property is subject to any Lien, except Permitted Liens.

(c) Each Loan Party has paid all such material payments required to be made by it in respect of any Leasehold Property, and, to such Loan Party's knowledge, no landlord Lien has been filed, and to the Borrower's knowledge, no claim of delinquency is being asserted, with respect to any such payments, except as are subject to Permitted Protest.

(d) All Permits or Cannabis Licenses required to have been issued to enable all Real Property of any Loan Party to be lawfully occupied and used for all of the purposes for which they are currently occupied and used have been lawfully issued and are in full force and effect, other than those that, either individually or in the aggregate, would not have a Material Adverse Effect.

(e) None of any Loan Party has received any notice, or has any knowledge, of any pending, threatened or contemplated condemnation proceeding affecting any Real Property of such Loan Party or any part thereof, except those that, either individually or in the aggregate, would not have a Material Adverse Effect.

4.13 **Complete Disclosure.** To the actual knowledge of each Loan Party after due inquiry, all factual written information taken as a whole (other than forward-looking statements and projections and information of a general economic nature and general information about the Loan Parties' industry) furnished by or on behalf of a Loan Party to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents is, and all other such factual information taken as a whole (other than forward-looking statements and projections and information of a general economic nature and general information about the Loan Parties' industry) hereafter furnished by or on behalf of a Loan Party to Agent or any Lender, will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole), not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent and the Lenders on the Closing Date represent, and as of the date on which any other Projections are delivered to Agent or the Lenders, such additional Projections represent, the good faith estimate of management of the Loan Parties, on the date such Projections were delivered, of the Loan Parties' future performance for the periods covered thereby based upon assumptions believed by the management of the Loan Parties to be reasonable at the time of the delivery thereof to Agent and the Lenders (it being recognized by Agent and the Lenders that such projected financial information is not to be viewed as fact and is subject to significant uncertainties and contingencies many of which are beyond the Loan Parties' control, that no assurance can be given that any particular financial projections will be realized, and that actual results may vary materially from such projected financial information).

4.14 **Indebtedness.** Set forth on Schedule 4.14 is a true and complete list of all Indebtedness in excess of \$1,000,000 in principal amount of each Loan Party as of the Closing Date that is to remain outstanding after the Closing Date and Schedule 4.14 accurately sets forth the aggregate principal amount of such Indebtedness as of the Closing Date.

4.15 **Patriot Act; Foreign Corrupt Practices Act.** Each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the Loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in

4.16 **Payment of Taxes.** Except as otherwise permitted under Section 6.6, all tax returns of each Loan Party required to be filed by any of them have been timely filed, all such tax returns and reports are true, correct and complete, in each case, in all material respects, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other similar governmental charges imposed by a tax authority upon a Loan Party and upon its assets, income, businesses and franchises that are due and payable have been paid when due and payable, other than taxes that are the subject of a Permitted Protest. No Loan Party knows of any actual or proposed tax assessment or tax Lien against any Loan Party or any Subsidiary of a Loan Party or any of their respective assets or any Stock in respect of any such Person that is not subject to Permitted Protest.

4.17 **Margin Stock.** No Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to the Borrower will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

4.18 **Governmental Regulation.** No Loan Party is subject to regulation under the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party is a “registered investment company” or a company “controlled” by a “registered investment company” or a “principal underwriter” of a “registered investment company” as such terms are defined in the Investment Company Act of 1940.

4.19 **Sanctions.** No Loan Party nor any of their Subsidiaries is in violation of any Sanctions Laws, and the Borrower has implemented and maintains in effect and enforces necessary policies and procedures designed to ensure compliance therewith by the Loan Parties, their Subsidiaries and their respective directors, officers and employees. None of the Loan Parties, nor any of their Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Jurisdictions or Sanctioned Entities, or (c) directly or, to the knowledge of the Loan Parties, indirectly derives revenues from investments in, or transactions with Sanctioned Persons, Sanctioned Jurisdictions or Sanctioned Entities. No proceeds of any Loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person, Sanctioned Jurisdiction or Sanctioned Entity.

4.20 **Employee and Labor Matters.** Except as would not reasonably be expected to cause a Material Adverse Effect, there is (i) no unfair labor practice complaint pending or, to the knowledge of any Loan Party, threatened against any Loan Party before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan which arises out of or under any collective bargaining agreement, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party, or (iii) no union representation question existing with respect to the employees of any Loan Party and no union organizing activity taking place with respect to any of the employees of any Loan Party. No Loan Party has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of any Loan Party have not been in material violation of the Fair Labor Standards Act or any other applicable legal requirements. All material payments due from any Loan Party on account of wages and employee health and welfare insurance and other benefits (except for employee vacation benefits) have been paid or accrued as a liability on the books of Borrower and its Subsidiaries.

4.21 **Material Contracts.** Except as would not have a Material Adverse Effect, each Material Contract (a) is in full force and effect and is binding upon and enforceable against the applicable Loan Party and, to the knowledge of each Loan Party, each other Person that is a party thereto in accordance with its terms, (b) has not been otherwise amended or modified in any material respect that has not been discussed, and (c) is not in material default due to the action or inaction of the applicable Loan Party. No Loan Party, nor any of its Subsidiaries, is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Material Contracts, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.22 **PEP.** To the knowledge of each Loan Party, no Loan Party nor any of their respective Subsidiaries is acting on behalf of any corporation, business or other entity that has been formed by, or for the benefit of, a current or former senior foreign political figure, serving in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government owned corporation, or political figure (collectively, a “PEP”).

4.23 **Location of Collateral.** The office where each Loan Party keeps its records concerning the Collateral, and each Loan Party’s principal place of business and chief executive office, each as of the Closing Date, are set forth on Schedule 4.23.

4.24 **EEA Financial Institutions.** No Loan Party is an EEA Financial Institution.

4.25 **Intellectual Property.** Each Loan Party owns, is licensed to use or otherwise has the right to use, all Intellectual Property that is material to the condition (financial or other) for the business or operations of such Loan Party. All Intellectual Property owned by any Loan Party which is issued, registered or pending with any United States or foreign Governmental Authority (including, without limitation, any and all applications for the registration of any such Intellectual Property with any such United States or foreign Governmental Authority) and, to the knowledge of each Loan Party, all licenses under which any Loan Party is the exclusive licensee of any such registered Intellectual Property (or any such application for the registration of Intellectual Property) owned by another Person are set forth on Schedule 4.25. Such Schedule 4.25 indicates in each case whether such registered Intellectual Property (or application therefor) is owned or exclusively licensed by such Loan Party. Except as indicated on Schedule 4.25, to the best of each Loan Party’s knowledge, the applicable Loan Party is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each such registered Intellectual Property (or application therefor) purported to be owned by such Loan Party, free and clear of any Liens and/or licenses in favor of third parties or agreements or covenants not to sue such third parties for infringement, other than non-exclusive licenses granted in the ordinary course of business. To the Loan Parties’ knowledge, all registered Intellectual Property of each Loan Party is duly and properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filings or issuances. No Loan Party is party to, nor bound by, any material license agreement with respect to which any Loan Party is the licensee that prohibits or otherwise restricts such Loan Party from granting a security interest in such Loan Party’s interest in such license agreement. To the Loan Parties’ actual knowledge (after due inquiry), there is no infringement or claim of infringement by others of any Intellectual Property rights of any Loan Party.

4.26 **Broker Fees.** Except as set forth on Schedule 4.26, no broker’s or finder’s fee or commission will be payable with respect hereto or any of the transactions

contemplated hereby. The Borrower shall be solely responsible for the payment of any and all broker's or finder's fees and commissions payable now and in the future in connection with this Agreement or any of the transactions contemplated hereby and shall indemnify upon demand the Lender Group and its directors, officers, employees and agents against any claim arising therefrom or in connection therewith

4.27 **Representations Not Waived.** The representations and warranties of the Loan Parties contained herein will not be affected or deemed waived by reason of any investigation made by or on behalf of any Lender, Agent and/or any of their respective representatives or agents or by reason of the fact that any Lender, Agent and/or any of their respective representatives or agents knew or should have known that any such representation or warranty is or might be inaccurate in any respect.

5. INTERIM COVENANTS.

The covenants in this Article 5 shall apply from the date of this Agreement until the Senior Notes Termination Date. After the Senior Notes Termination Date, this Article 5 shall be of no further force or effect and solely the covenants under Articles 6, 7 and 8 shall apply at all times thereafter.

5.1 **Payment of Principal and Interest.** The Borrower shall punctually, according to the terms hereof, pay or cause to be paid all Obligations.

5.2 **Keeping of Books.** The Borrower shall keep or cause to be kept, and shall cause each of its Subsidiaries (other than non-operating or immaterial Subsidiaries) to keep or cause to be kept proper books of record and account, in which full and correct entries (in all material respects) shall be made of all financial transactions and the property and business of the Borrower and its Subsidiaries in accordance with IFRS.

5.3 **Provision of Reports and Financial Statements.** The Borrower will maintain and will cause each of its Subsidiaries to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with IFRS (it being understood that monthly financial statements are not required to have footnote disclosures and are subject to normal year-end adjustments). The Borrower will provide to Agent, and Agent shall deliver to the Lenders, the following upon written request:

(a) as soon as available and in any event within sixty (60) days after the end of each fiscal quarter of the Borrower, the unaudited consolidated and consolidating balance sheet of the Borrower and each of its Subsidiaries as at the end of such fiscal quarter (the "Quarterly Statements"); and

(b) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year, the consolidated balance sheet of the Borrower and its Subsidiaries, as at the end of such year, audited by certified public accountants selected by the Borrower (together with the Quarterly Statements, the "Financial Reports").

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(c) Notwithstanding the foregoing, at any time that the Borrower remains a "reporting issuer" (or its equivalent) in any province or territory of Canada, all Financial Reports will be deemed to have been provided to Agent and the Lenders once filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") or any successor system thereto.

5.4 **Compliance with Laws and Contractual Obligations.** The Borrower will (A) comply with and cause each of its Subsidiaries to comply in all material respects with (i) the requirements of all Applicable Laws, rules, regulations and orders of any Governmental Authority (including, without limitation, all laws, rules, regulations and orders relating to taxes, employer and employee contributions, securities, ERISA, environmental protection matters and employee health and safety) as now in effect and which may be imposed in the future in all jurisdictions in which such Person is now doing business or may hereafter be doing business, and (ii) the obligations, covenants and conditions contained in all of the material contractual obligations of each such Person, as applicable, the noncompliance with which could not be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect on the Borrower, and (B) maintain or obtain and cause each of its Subsidiaries to maintain or obtain, all applicable licenses, qualifications and permits now held or hereafter required to be held by such Person, for which the loss, suspension, revocation or failure to obtain or renew, could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Borrower.

5.5 **Restricted Payments.** The Borrower will not, and will not cause or permit any of its Subsidiaries, to make any cash dividend or distributions in respect of the equity interests of the Borrower or any of its Subsidiaries, except that (i) a Subsidiary of the Borrower may declare and pay dividends on its outstanding equity interests to the Borrower or to a Subsidiary; and (ii) a Subsidiary may declare and pay any cash dividends or distribution it is obligated to pay pursuant to any contractual obligation of such Subsidiary existing prior to the date hereof. Notwithstanding anything to the contrary provided in this Section 5.5 or elsewhere, nothing contained herein shall prevent the Borrower from effectuating a distribution of the capital stock of Sound Wellness Holdings, Inc. to the stockholders of the Borrower.

5.6 **Incurrence of Indebtedness.** The Borrower will not and will not permit any of its Subsidiaries directly or indirectly to create, incur, assume, or otherwise become or remain directly or indirectly liable with respect to any indebtedness except "Permitted Indebtedness" (as defined in the Senior Notes Indenture).

5.7 **Sale of Assets.** The Borrower will not and will not permit any of its Subsidiaries to sell, assign, license, lease, convey, exchange, transfer or otherwise dispose of its property (each referred to herein as a "Disposition") which, solely for purposes of this Section 5.7, has the meaning set forth in the Senior Notes Indenture) to any other Person, except:

- (a) Dispositions of inventory and other property in the ordinary course of business;
- (b) Dispositions of obsolete or worn-out assets, no longer used or usable in its business;
- (c) Disposition of the Borrower's and its Subsidiaries equity securities;
- (d) Disposition of real property in a sale-leaseback transaction; and

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(e) Dispositions of property in connection with "Permitted Indebtedness" (as defined in the Senior Notes Indenture), including, without limitations, dispositions of property subject to a lien or other encumbrance senior to the lien or other encumbrance granted to Agent on behalf of the Lenders.

5.8 **Maintenance of Properties.** The Borrower will maintain and cause its Subsidiaries to maintain in good repair, working order and condition, all material properties used in its businesses and will make or cause to be made all appropriate repairs, renewals and replacements thereof.

5.9 **Organizational Existence.** The Borrower will, and will cause each of its Subsidiaries (other than non-operating or immaterial Subsidiaries) to at all times preserve and keep in full force and effect its organizational existence and all rights and franchises material to such Person's business and leases, privileges, franchises,

qualifications and rights that are necessary in the ordinary conduct of its business.

6. **AFFIRMATIVE COVENANTS.**

Each Loan Party covenants and agrees that, (x)with respect to Sections 6.1, 6.3, 6.5, 6.8, 6.9, 6.10, 6.12, 6.14, 6.15, 6.16 and 6.18, beginning on the day after the Senior Notes Termination Date and (y)with respect to all other Sectionsof this Article6, beginning on the date of this Agreement, and continuing until termination of the Commitments and payment in full of the Obligations (other than contingent obligations with respect to which no claim has been made), each Loan Party shall and shall cause each of its Subsidiaries (not including Excluded Subsidiaries) to do all of the following:

6.1 **Financial Statements, Reports, Certificates.** (a)Deliver to Agent and each Lender, each of the financial statements, reports, and other items set forth on Schedule 6.1 no later than the times specified therein, (b)agree that no Loan Party nor any of its Subsidiaries (excluding Excluded Subsidiaries) will have a fiscal year different from that of Borrower (except for any Acquired Financed Loan Party or Acquired Non-Financed Party), (c)agree to maintain a system of accounting that enables the Loan Parties to produce financial statements in accordance with Applicable Accounting Standards, and (d)agree to (i)in connection with the delivery of annual audited financial statements (as set forth on Schedule 6.1), use commercially reasonable efforts to provide Agent with progress reports regarding the Borrower's audited year-end financial statements upon Agent's request, and (ii) permit Agent, the Lenders and their duly authorized representatives or agents to discuss such audited financials with the Auditor during regular business hours and with reasonable prior notice, provided that an employee or a duly authorized representative or agent of the applicable Loan Party be permitted to attend such discussion, provided further, such discussions with any Lender and Auditor shall be no more than one time per year unless an Event of Default has occurred or is continuing.

6.2 **Collateral Reporting.** Provide Agent and the Lenders with each of the reports set forth onSchedule 6.2 at the times specified therein.

6.3 **Existence.** At all times preserve and keep in full force and effect such Person's (i)valid existence and good standing in its jurisdiction of formation or organization except in a transaction expressly permitted by Section 7.3 and Section 7.4 and (ii)except as would not have a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any Permits or Cannabis Licenses.

6.4 **Inspection; Appraisals.** Permit Agent and the Lenders' duly authorized representatives or agents to (a)visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (*provided that* (i)an authorized representative of the Loan Parties shall be given an opportunity to be present, (ii)to the extent Agent and the Lender's duly authorized representatives aren't permitted by Applicable Law to visit any properties or any specific area thereof without credentials, approvals, background checks or similar authorizations, neither Borrower nor any Loan Party shall be in violation of this Agreement for refusing access to any such restricted area to Agent and the Lender's duly authorized representatives, provided that Borrower and each Loan Party shall cooperate with Agent and the Lender's duly authorized representatives to assist with the procurement of all credentials, approvals, background checks or similar authorizations necessary to enter such restricted area, (iii)so long as no Event of Default shall have occurred during a calendar year, Agent and the Lenders' shall not conduct more than one (1)inspection per calendar year for the Loan Parties, as a whole, and (iv)all costs and expenses incurred by Agent or the Lenders' representatives or agents shall be subject to the cap set forth in Section 2.10 herein except for (x)any such costs and expenses incurred during the existence of an Event of Default or (y)in connection with a refinancing of this credit facility) and (b)cause the Acquired Financed Loan Party Real Property to be appraised by an appraiser selected by Agent at Agent's sole cost and expense, in each case at such reasonable times and intervals as Agent may designate and, so long as no Event of Default exists, with reasonable prior notice to the Borrower and during regular business hours.

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6.5 **Maintenance of Properties.**

(a) Maintain and preserve all of its assets and properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty and Permitted Dispositions excepted, and defend its title and Agent's Lien therein against all Persons claims and demands, except Permitted Liens, except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

(b) Maintain, or obtain contractual commitments from relevant landlords to maintain, all rights of way, easements, grants, privileges, licenses, certificates, and permits necessary for the use of any Acquired Financed Loan Party Real Property (as used in the business of the Loan Parties), except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

(c) Comply in all respects with the terms of each Lease and other material agreement relating to the Acquired Financed Loan Party Leasehold Properties so as not to permit any tenant default to exist thereunder beyond any applicable notice and cure periods (other than any matters being contested in good faith by appropriate proceedings), except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

6.6 **Taxes.** Cause all Taxes, whether real, personal, or otherwise, due or payable by, or imposed, levied, or assessed against the Loan Parties, their Subsidiaries (except for Excluded Subsidiaries) or any of their respective assets to be paid in full when due in accordance with Applicable Law, except to the extent that the validity of such Tax shall be the subject of a Permitted Protest.

6.7 **Insurance.**

(a) The Loan Parties will, and will cause each of their Subsidiaries to, at the Borrower's expense, maintain insurance substantially similar to the coverage in place on the Closing Date, as listed on Schedule 6.7. All property insurance policies covering the Acquired Financed Loan Party Collateral (and, after the Senior Notes Termination Date, any other Collateral) are to be made payable to Agent for the benefit of Agent, the Lenders, and any other lenders with respect to collateral secured by Permitted Indebtedness, as their interests may appear, in case of loss, pursuant to a lender loss payable endorsement with a standard noncontributory "lender" or "secured party" clause to the extent not otherwise payable to Agent and the Lenders pursuant to the terms of such insurance policy and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the lender loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for (unless agreed to by Agent) not less than thirty (30) days (ten (10)days in the case of non-payment) prior written notice to Agent and the Lenders of the exercise of any right of cancellation.

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(b) If an Event of Default has occurred and is continuing, the Borrower shall give Agent and the Lenders prompt notice of any loss exceeding \$1,000,000 covered by any Loan Party's casualty or business interruption insurance. So long as no Event of Default has occurred and is continuing, the Loan Parties shall have the exclusive right to adjust any losses payable under any such insurance policies. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the

collection, compromise or settlement of any claims under any such insurance policies.

6.8 **Compliance with Laws.** Comply with the requirements of all Applicable Laws, Permits, Cannabis Licenses, and orders of any Governmental Authority or any Regulatory Authority in all material respects.

6.9 **Environmental.** Except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect:

(a) Keep any property either owned or operated by any Acquired Financed Loan Party free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens,

(b) Each Acquired Financed Loan Party shall comply, in all material respects, with Environmental Laws and provide to Agent and the Lenders documentation of such compliance which Agent or any Lender reasonably requests,

(c) Promptly notify Agent and the Lenders of any Release of which the Borrower has knowledge of a Hazardous Material in any reportable quantity at, from or onto the Acquired Financed Loan Party Real Property or any other property owned or operated by any Acquired Financed Loan Party including any Release identified in the course of any Phase II investigation conducted on behalf of Borrower and take any Remedial Actions required to abate said Release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, including any actions required to receive a "No Further Action" letter or similar confirmation from the relevant Governmental Authority evidencing completion of the remediation and compliance with Environmental Law, and provide Agent and Lenders with a copy of such No Further Action Letter or similar confirmation, and

(d) Promptly, but in any event within ten (10) Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) written notice that an Environmental Lien has been filed against any of the real or personal property of any Acquired Financed Loan Party, (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Acquired Financed Loan Party, and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority.

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6.10 **Disclosure Updates.** Promptly upon an Authorized Person obtaining actual knowledge thereof, notify Agent and the Lenders if any written information, exhibit, or report furnished to the Lender Group contained, at the time it was furnished, any untrue statement of material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules thereto.

6.11 **Formation or Acquisition of Subsidiaries.** Upon the formation or acquisition by any Loan Party of any Subsidiary that is not an Excluded Subsidiary after the Closing Date (or when a prior Excluded Subsidiary ceases to constitute an Excluded Subsidiary hereunder), within thirty (30) days of such formation or the consummation of such acquisition (or within thirty (30) days of the date such prior Excluded Subsidiary ceases to constitute an Excluded Subsidiary hereunder) (or such later date as permitted by Agent in its sole discretion), the Loan Parties shall (a) cause such Subsidiary to execute and deliver to Agent an Existing Party Guaranty and Security Agreement, Acquired Financed Loan Party Guaranty and Security Agreement or (solely after the Senior Notes Termination Date) an Acquired Non-Financed Party Guaranty and Security Agreement, as applicable, in each case in form and substance reasonably satisfactory to Agent, together with such other security documents, as well as appropriate financing statements (and with respect to all owned Acquired Financed Loan Party Real Property subject to a Mortgage to the extent required by Section 6.12 hereof, fixture filings), all in form and substance reasonably satisfactory to Agent (including being sufficient to grant an Agent Lien (subject to Permitted Liens and with the priority called for by this Agreement) in and to the applicable assets of such Subsidiary) which Lien is granted by such Subsidiary in favor of Agent, on behalf of the Lender Group, under any of the Loan Documents, (b) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or addendum to the applicable Guaranty and Security Agreement) and appropriate certificates and powers or financing statements, as applicable pledging all of the direct or beneficial ownership interest in each Subsidiary that is an Acquired Financed Party, each in form and substance reasonably satisfactory to Agent, and (c) provide to Agent all other customary documentation, including, to the extent reasonably requested by Agent, one or more opinions of counsel reasonably satisfactory to Agent which in its reasonable opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.11, Section 6.12 or Section 6.13 shall constitute a Loan Document.

6.12 **Additional Acquired Financed Loan Party Real Property.** To the extent requested by Agent with respect to any owned Acquired Financed Loan Party Real Property acquired after the Closing Date, in the aggregate with a fair market value in excess of \$500,000, the applicable Acquired Financed Loan Party owning any such Acquired Financed Loan Party Real Property shall, within thirty (30) days of Agent's request, take such actions and execute and deliver, or cause to be executed and delivered, all such Mortgages, instruments, agreements, opinions, certificates and all other Mortgage Supporting Documents with respect to such owned Acquired Financed Loan Party Real Property as reasonably requested by Agent to create in favor of Agent, a valid and perfected first priority security interest in such Acquired Financed Loan Party Real Property or to otherwise grant Agent rights with respect thereto consistent with the rights granted to Agent with respect to other owned Acquired Financed Loan Party Real Property subject to a Mortgage pursuant to the Loan Documents.

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6.13 **Further Assurances.** At any time upon the reasonable request of Agent, each Loan Party shall execute or deliver to Agent, any and all financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, Mortgages, deeds of trust, opinions of counsel, and all other documents that Agent may reasonably request, in form and substance reasonably satisfactory to Agent, to create, perfect, and continue perfected Agent's Liens in the Collateral granted hereunder (collectively, the "Additional Documents"), to create and perfect Liens in favor of Agent in such Collateral, and in order to fully consummate all of the transactions contemplated hereby and under the Loan Documents. To the maximum extent permitted by Applicable Law, each Loan Party authorizes Agent, after the occurrence and during the continuance of an Event of Default, to execute any such Additional Documents in the applicable Loan Party's name and to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each of Borrower and each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by the Collateral.

6.14 **Lender Meetings.** The Loan Parties will, within ninety (90) days after the close of each fiscal year of the Borrower (or such later date as Agent may agree), at the request of Agent and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time, including participation by conference call) with all Lenders who choose to attend such meeting at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of the Loan Parties and the projections presented for the current fiscal year of the Borrower.

6.15 **Material Contracts.** Each Loan Party shall and shall cause each of its Subsidiaries (excluding Excluded Subsidiaries) to observe and perform all of the covenants, terms, conditions and agreements contained in the Material Contracts to be observed or performed by it if failure to so observe or perform is likely to have a Material Adverse Effect. Each Loan Party will, and will cause each other Loan Party to, use commercially reasonable efforts to ensure that any Material Contract entered into after the Closing Date (other than any renewals, amendments or extensions of Material Contracts in existence as of the Closing Date) by any Loan Party permits the grant of a security

interest in such agreement (and all rights of such Loan Party thereunder) to such Loan Party's lenders or an agent for any lenders (and any transferees of such lenders or such agent, as applicable). No Loan Party shall release the liability of any party under any Material Contract if such release is likely to have a Material Adverse Effect.

6.16 **Books and Records.** Each Loan Party shall keep proper books of records and accounts in which full, true and correct entries in conformity with Applicable Accounting Standards and all requirements of law, in each case, in all material respects, shall be made of all dealings and transactions in relation to its businesses and activities.

6.17 **Accounts.** After the Senior Notes Termination Date, each Loan Party shall use commercially reasonable efforts to cause each Deposit Account or Securities Account with an average daily balance of \$5,000,000 or more during the most recent fiscal quarter to become subject to a Control Agreement in favor of Agent, subject to Applicable Law.

6.18 **Cash Management.** The Loan Parties shall establish and maintain all Deposit Accounts and Securities Accounts at one or more financial institutions that are reasonably satisfactory to the Required Lenders (which for the avoidance of doubt includes each bank and financial institution utilized by the Borrower and its Subsidiaries on the Closing Date). Except for cash on deposit in an Excluded Account, the Loan Parties shall use commercially reasonable efforts after the Senior Notes Termination Date to deposit all other cash at the dispensaries, cultivation facilities, production facilities or from other operations in Deposit Accounts with banks in the state in which such operations occur (if any) and that are subject to a Control Agreement promptly after receipt thereof (and in any event cause such receipts to be deposited in the ordinary course of business), provided that, for the avoidance of doubt, it shall not be a violation of this Section 6.18 by a Loan Party if such Loan Party is prohibited or limited from transferring cash that would otherwise be required to be transferred to a Deposit Account subject to a Control Agreement under this Section 6.18 if such transfer is not permitted pursuant to Applicable Law or the bank or other financial institution where the applicable Loan Party has established and maintains a Deposit Account.

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7. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees that, beginning (except with respect to Section 7.7(e), which shall begin on the date of this Agreement) on the day after the Senior Notes Termination Date and continuing until termination of all of the Commitments and payment in full of the Obligations (other than contingent obligations in respect of which no claim has been made), no Loan Party will, or permit any of its Subsidiaries, to do any of the following:

7.1 **Indebtedness.** Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

7.2 **Liens.** Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

7.3 **Restrictions on Fundamental Changes.**

(a) Enter into any acquisition, merger, consolidation, reorganization, or recapitalization, or reclassify its Stock (including pursuant to a "division" under Delaware law), except: (i) for any merger or consolidation between Loan Parties, provided, that the Borrower must be the surviving entity of any such merger or consolidation to which it is a party; (ii) for any merger or consolidation between a Loan Party and a Subsidiary of such Loan Party that is not a Loan Party; (iii) any Permitted Acquisition; (iv) for acquisitions, mergers, consolidations, reorganizations, recapitalizations, or reclassifications of Stock involving solely the Stock of any Excluded Subsidiary (including without limitation Jushi Europe SA and Jushi JPTREH LDA); (v) any reorganizations, recapitalizations, or reclassifications of Stock in connection with the Borrower's or an Affiliate's listing on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ; (vi) any reorganizations, recapitalizations, or reclassifications of Stock for Tax purposes that do not have an adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect; (vii) any reorganizations, recapitalizations, or reclassifications of Stock to correct any errors or make ministerial or immaterial changes to a Governing Documents of a Loan Party or (viii) in connection with any acquisition, merger, consolidation, reorganization, or recapitalization, or reclassification of Stock that would constitute a Change of Control (and for the avoidance of doubt, such Change of Control shall cause an acceleration in accordance with Section 2.1(d) herein);

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution) other than in the ordinary course of business in a manner that does not have an adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect;

(c) Suspend or cease operating a material portion of its business if such suspension or cessation is likely to cause a Material Adverse Effect.

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7.4 **Disposal of Assets.** Other than Permitted Dispositions or transactions permitted by Section 7.3 and Section 7.11, convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any of its or their assets (any such conveyance, sale, lease, license, assignment, transfer or other disposition, a "Disposition").

7.5 **Change Name.** Change any Loan Party's name, organizational identification number, state of organization or organizational identity; provided, however, that any Loan Party may change its name, organizational identification number, state of organization or organizational identity upon at least ten (10) days' prior written notice to Agent of such change and so long as at the time of such written notification, such Loan Party reasonably provides any financing statements necessary to perfect and/or continue perfection of Agent's Liens.

7.6 **Nature of Business.** Make any material change in the nature of its or their business (including with respect to any Permitted Acquisition) as described in Schedule 7.6, to the extent not reasonably related thereto, or acquire any properties or assets that are not reasonably related to the conduct of such business activities.

7.7 **Prepayments and Amendments**

(a) Optionally prepay, redeem or defease any Indebtedness of any Loan Party, other than (i) the Obligations in accordance with this Agreement; (ii) prepayment of the Senior Notes solely in accordance with Section 2.12; (iii) prepayments required pursuant to any contractual obligation of a Loan Party existing on the Closing Date and not created in contemplation of the transactions contemplated hereby, including without limitation certain mandatory repayment provisions in the Senior Notes; (iv) so long as the Borrower is in pro forma compliance with the financial covenants in Section 8, prepayments of principal and interest or the exercise of purchase options under any Permitted Purchase Money Indebtedness, including without limitation in connection with the exercise of the purchase option set forth on Schedule 7.7(a); (v) Indebtedness with respect to any sale leaseback transaction permitted hereunder, so long as such payment is sourced solely from the proceeds of a refinancing that constitutes Permitted Indebtedness or from a capital contribution from a non-Loan Party; or (vi) so long as the Borrower is in pro forma compliance with the financial covenants in Section 8, prepayments of Indebtedness from equity capital raised by Borrower or any other Loan Party;

(b) Make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not

permitted at such time under the subordination terms and conditions or is not required pursuant to any contractual obligation of a Loan Party existing on the Closing Date;

(c) Directly or indirectly, amend, modify, alter, or change any of the terms or provisions of the Governing Documents of any Loan Party, in each case, in any material respect that could be materially adverse to Lenders;

(d) Amend or otherwise revise the Employee Notes to: (i) increase the principal; or (ii) extend the maturity beyond 6 months from the date set forth therein, provided that, for the avoidance of doubt, except as set forth in subsections (i) or (ii) of this Section 7.7(d), a Loan Party may take any action with respect to the Employee Notes that such Loan Party deems desirable, including without limitation forgiving any or all Indebtedness evidenced by the Employee Notes; or

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(e) Extend the maturity date of the Senior Notes or amend or otherwise modify any Senior Notes Loan Document in a manner adverse to the Lenders in any material respect, unless (i) this Agreement is amended to increase the applicable interest rate by 3.0% per annum, (ii) the Borrower uses reasonable best efforts to cause the trustee or other applicable representative under the Senior Notes Loan Documents to enter into a *pari passu* intercreditor agreement with respect to the Senior Notes Collateral upon customary terms, (iii) any and all Commitments to lend hereunder are terminated, and (iv) any affirmative covenants, negative covenants, or financial covenants under the amended or modified Senior Notes Loan Documents that are less favorable to the Borrower than the provisions hereof shall have been added to this Agreement via amendment.

7.8 **Restricted Payments.** No Loan Party shall make any Restricted Payment, other than to the extent constituting (i) Permitted Investments, (ii) a Restricted Payment for the payment of management fees or advisory fees to any Loan Party or Excluded Subsidiary, including any allocation or sharing of overhead, selling, general or administrative expenses, taxes or other shared business expenses, provided that to the extent such Restricted Payment is made to an Excluded Subsidiary, such payment shall not, in the aggregate (unless approved by Agent in writing in its sole discretion), exceed one million Dollars (\$1,000,000) per fiscal year and serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6; (iii) a Restricted Payment between Excluded Subsidiaries; (iv) a Restricted Payment between Loan Parties, (v) so long as no Default or Event of Default is in effect, a Restricted Payment to an Excluded Subsidiary in connection with a capital call made by an Excluded Subsidiary (whether or not any Loan Party had the right to cause such Excluded Subsidiary to make such capital call) *provided* (1) all such Restricted Payments are in an aggregate amount not to exceed five million Dollars (\$5,000,000) per fiscal year and (2) such capital call serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6; and (vi) so long as no Default or Event of Default is in effect, a Restricted Payment to an Excluded Subsidiary that is wholly-owned by a Loan Party in connection with the leasing of real property provided such lease payments serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6, and which shall include without limitation any lease payments made in connection with the Permitted Transaction.

7.9 **[Reserved].**

7.10 **Accounting Methods.** Without Agent's consent (such consent not to be unreasonably withheld, conditioned or delayed except as required by Applicable Law or applicable accounting rules), modify or change its fiscal year end from December 31 or its method of accounting (other than as may be required to conform to, or as set forth in the definition of, Applicable Accounting Standards).

7.11 **Investments.** Except for Permitted Investments, directly or indirectly, make or acquire any Investment.

7.12 **Transactions with Affiliates.** Directly or indirectly, enter into or permit to exist any transaction with any Affiliate of any Loan Party or any of its Subsidiaries (including the payment of any management, advisory, consulting fees or the like), except for:

(a) transactions between a Loan Party, on the one hand, and any Affiliate of such Loan Party that is not a Loan Party, on the other hand, so long as such transactions (i) are upon fair and reasonable terms, (ii) are fully disclosed to Agent if they involve one or more payments by such Loan Party in excess of \$2,500,000 per fiscal year for any single transaction or series of transactions, and (iii) are no less favorable to such Loan Party than would be obtained in an arm's length transaction with a non-Affiliate;

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(b) transactions permitted under Section 7.3;

(c) transactions permitted under Section 7.8;

(d) (i) the payment of compensation, severance, or employee benefit arrangements to employees, consultants, officers and outside directors of such Loan Party made: (1) in the ordinary course of business, (2) pursuant to a contractual arrangement in place prior to the Closing Date and which was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents; or (3) approved by a majority of the independent members of such Loan Party's Board of Directors (or comparable governing body) or a committee thereof, and (ii) the payment of reasonable and customary indemnification obligations to employees, officers, and outside directors of such Loan Party in the ordinary course of business and consistent with industry practice;

(e) transactions exclusively among the Loan Parties; or

(f) transactions listed on Schedule 7.12.

7.13 **Use of Proceeds.**

(a) Use the proceeds of the Term Loans for any purpose other than (i) to finance Permitted Acquisitions, (ii) subject to the approval of Agent's investment committee, to refinance the Indebtedness of the Borrower under the Senior Notes, (iii) to pay transactional fees, costs, and expenses incurred in connection with this Agreement and the transactions contemplated hereby and (iv) after the Senior Notes Termination Date, for general corporate working capital purposes.

(b) No proceeds of any loan made hereunder will be used by the Loan Parties or their Subsidiaries or their respective directors, officers and employees to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

7.14 **Limitation on Issuance of Stock.** Except for Permitted Dispositions, Permitted Acquisitions and the issuance or sale of Qualified Stock by Borrower, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Stock. For the avoidance of doubt, Borrower shall be expressly permitted to issue Permitted Preferred Stock at any time during the term hereof.

7.15 **Sale and Leaseback Transactions.** No Loan Party shall enter into any arrangement, directly or indirectly, with any Person whereby Borrower or any Loan Party shall sell or transfer property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property that it intends to use for

substantially the same purpose or purposes as the property being sold or transferred, except for (a) transactions in which with all property disposed of does not exceed an aggregate value of \$25,000,000, (b) the transactions set forth and described in Schedule 7.15, and (c) Excluded Property including without limitation the sale and leaseback of real property.

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8. FINANCIAL COVENANTS.

Each Loan Party covenants and agrees that, beginning on the day after the Senior Notes Termination Date and continuing until termination of all of the Commitments and payment in full of the Obligations (other than contingent obligations with respect to which no claim has been made):

8.1 **Maximum Total Leverage Ratio.** The Loan Parties shall have a Total Leverage Ratio, measured on a fiscal quarter-end basis, of not greater than the correlative ratio indicated in the following table:

Applicable Ratio	Fiscal Quarter Ending
6.00 to 1.00	March 31, 2022
6.00 to 1.00	June 30, 2022
5.00 to 1.00	September 30, 2022
5.00 to 1.00	December 31, 2022
4.00 to 1.00	March 31, 2023
4.00 to 1.00	June 30, 2023
3.50 to 1.00	September 30, 2023
3.50 to 1.00	December 31, 2023, and all fiscal quarters ending thereafter

8.2 **Minimum Cash Balance.** The Loan Parties shall maintain a sum of unrestricted cash and Cash Equivalents of at least the required amount set forth in the following table for the applicable period set forth opposite thereto:

Applicable Amount	Any Date During the Fiscal Quarter Ending
5% of the total amount of Term Loans funded, and which shall be maintained in one or more Deposit Accounts of Acquired Financed Loan Parties	March 31, 2022, and all fiscal quarters ending thereafter
5% of the total amount of Term Loans funded, and which shall be maintained in one or more Deposit Accounts of Loan Parties that are not Acquired Financed Loan Parties	March 31, 2022, and all fiscal quarters ending thereafter

Beginning on the day following the Senior Notes Termination Date, the Loan Parties shall use commercially reasonable efforts to cause the minimum cash balance required to be held by Loan Parties that are not Acquired Financed Loan Parties to be held in Deposit Accounts that are subject to Control Agreements (to the extent such Control Agreements are required pursuant to Section 6.17).

8.3 **Equity Cure.** In the event the Loan Parties fail to comply with the financial covenants set forth in this Article 8 as of the last day of any fiscal quarter of Borrower, any cash equity contribution which is contributed as common equity or another form reasonably acceptable to Agent into Borrower after the first day of such fiscal quarter and on or prior to the day that is fifteen (15) Business Days after the day on which financial statements are required to be delivered for that fiscal quarter will, at the irrevocable election of Borrower, be included in the calculation of EBITDA solely for the purposes of determining compliance with such covenants in this Article 8 at the end of such fiscal quarter (each, a “Cure Quarter”) and any subsequent period that includes such Cure Quarter (any such equity contribution so included in the calculation of EBITDA, a “Specified Equity Contribution”); provided that (a) Specified Equity Contribution may not be made in consecutive Fiscal Quarters, (b) the amount of any Specified Equity Contribution will be no greater than the amount required to cause the Loan Parties to be in compliance with such financial covenants (the “Cure Amount”), (c) all Specified Equity Contributions will be disregarded for purposes of the calculation of EBITDA for all other purposes, including calculating basket levels, pricing, determining compliance with incurrence based or pro forma calculations or conditions and any other items governed by reference to EBITDA and (d) there shall be no more than four (4) Specified Equity Contributions made in the aggregate after the Closing Date. Upon Agent’s receipt of notice from Borrower of its intent to make a Specified Equity Contribution pursuant to this Section 8.3, until the day that is fifteen (15) Business Days after such date, neither Agent nor any Lender shall (i) exercise the right to accelerate the Loans or terminate the Commitments, (ii) exercise any right to foreclose on or take possession of the Collateral, (iii) impose the default interest rate, or (iv) exercise any other right or remedy against the Borrower solely on the basis of an Event of Default having occurred and being continuing under Sections 8.1 or 8.2 in respect of the period ending on the last day of such fiscal quarter.

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8.4 Permitted Acquisitions.

(a) To the extent any Loan Party incurs Permitted Indebtedness in connection with any Permitted Acquisition, no payment of principal may be made in respect of any such Indebtedness (including any amount that is due and payable on the maturity of such Indebtedness) unless each of the following conditions is satisfied on a pro forma basis after giving effect to such payment as if such payment was made during the most recently concluded fiscal quarter:

- (i) the Debt Service Coverage Ratio for the most recently concluded fiscal quarter shall be greater than 1.10 to 1.00; and
- (ii) before and after giving effect to such payment, no Default or Event of Default shall exist.

(b) Notwithstanding the foregoing Section 8.4(a), the Loan Parties may make payments in respect of Permitted Indebtedness incurred in connection with a Permitted Acquisition if, before and after giving effect to such payment (x) no Default or Event of Default shall exist and (y) either:

(i) such payments are funded solely from: (1) equity capital contributed by the public after the Closing Date, (2) equity capital contributed by non-Loan Party Affiliates of the Loan Parties after the Closing Date, or (3) proceeds of other Permitted Indebtedness; or

(ii) the Loan Parties shall maintain a sum of unrestricted cash and Cash Equivalents of at least 10% of the total amount of Term Loans funded plus \$10,000,000.

9. **EVENTS OF DEFAULT.**

9.1 **Events of Default.** Any one or more of the following events shall constitute an event of default (each, an “Event of Default”) under this Agreement:

(a) **Payments.** If any Loan Party fails to pay when due and payable, or when declared due and payable, all or any portion of the Obligations consisting of (i) principal or (ii) interest, Make-Whole Premium, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding) and such required payment under this clause (ii) is not made within five (5) Business Days of its due date; or

(b) **Covenants.** If any Loan Party or any of its Subsidiaries:

(i) prior to the Senior Notes Termination Date, fails to perform or observe any covenant or other agreement contained in Section 5 and such failure continues for a period of thirty (30) days after the date on which written notice thereof is given to the Borrower by Agent or any Lender, *provided* that, if the Borrower uses commercially reasonable efforts to cure such Default within such thirty (30) day period, the Borrower shall have such time as is necessary to cure such default so long as the Borrower maintains commercially reasonable efforts to cure such Default beyond the initial thirty (30) day cure period;

(ii) fails to perform or observe any covenant or other agreement contained in any of Sections 3.7 (Conditions Subsequent), Section 7 or Section 8; *provided* that this Section 9.1(b) shall not apply to any Existing Loan Party until the Senior Notes Termination Date;

(iii) fails to perform or observe any covenant or other agreement contained in any of 6.8 (Compliance with Laws), 6.11 (Formation or Acquisition of Subsidiaries), and 6.13 (Further Assurances), and, in each case, such failure continues for a period of ten (10) calendar days after the earlier of (A) the date on which such failure shall first become known to any senior officer of any Loan Party and (B) the date on which notice thereof is given to the Borrower by Agent or any Lender;

(iv) fails to perform or observe any covenant or other agreement contained in any of Section 6.2 (Collateral Reporting), Sections 6.3 (Existence), 6.4 (Inspection; Appraisals), 6.5 (Maintenance of Properties), 6.6 (Taxes), 6.7 (Insurance), 6.9 (Environmental), 6.10 (Disclosure Updates), 6.12 (Additional Real Property), 6.14 (Lender Meetings), and 6.15 (Material Contracts) of this Agreement and such failure continues for a period of thirty (30) days after the earlier of (A) the date on which such failure shall first become known to any officer of any Loan Party and (B) the date on which notice thereof is given to the Borrower by Agent or any Lender; or

(v) on or after the Senior Notes Termination Date, fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 9.1 (in which event such other provision of this Section 9.1 shall govern), and such failure continues for a period of thirty (30) calendar days after the earlier of (i) the date on which such failure shall first become known to any officer of any Loan Party and (ii) the date on which notice thereof is given to the Borrower by Agent; or

(c) **Assets.** After the Senior Notes Termination Date, if any material portion of any Loan Parties’ assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person and the same is not discharged before the earlier of thirty (30) days after the date it first arises or five (5) days prior to the date on which such property or asset is subject to forfeiture by such Loan Party; or

(d) **Voluntary Bankruptcy.** If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries; or

(e) **Involuntary Bankruptcy.** If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within sixty (60) calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein; or

(f) **Business Affairs.** After the Senior Notes Termination Date, if any Loan Party is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs which would, individually or in the aggregate, reasonably be expected to adversely impact Agent’s Lien in any material respect or interest as a Lender in any material respect.

(g) **Judgments.** If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of \$5,000,000 or more (exclusive of amounts fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer accepted liability therefor in writing) is entered or filed against any Loan Party, or with respect to any of their respective assets, and either (a) there is a period of sixty (60) consecutive days at any time after the entry of any such judgment, order, or award during which (x) the same is not discharged, satisfied, stayed, vacated, or bonded pending appeal, or (y) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award; or

(h) **Default Under Other Agreements.** If there is a default in one or more material debt financing agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party’s or any of its Subsidiaries’ Indebtedness (excluding any default set forth on Schedule 9.1(h)) involving an aggregate amount of \$2,500,000 or more, and such default (i) continues beyond any applicable grace or cure period, (ii) occurs at the final maturity of the obligations thereunder or (iii) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party’s obligations thereunder; *provided* that any default under any such agreement for which a Loan Party can provide to Agent written evidence from such Loan Party’s unaffiliated legal counsel (in form and substance reasonably satisfactory to Agent) determining that the counterparty to such agreement has, or may have, materially breached its obligations thereunder, shall not be considered a default hereunder; or

(i) **Representations, etc.** If any warranty, representation, certificate or statement made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof; or

(j) **Guaranty; Subordination.** If (i) the obligation of any Guarantor under the Guaranty is limited or terminated by operation of law or by such Guarantor (except where such Guarantor’s Guaranty is terminated because such Guarantor constitutes an Excluded Subsidiary hereunder and is released as a Loan Party) and Borrower has not provided a new Guarantor of equal or greater credit that is acceptable to Agent in its sole discretion within ten (10) Business Days, or (ii) any Indebtedness that is required to be subordinated to the Obligations fails to be subordinated to the Obligations upon terms satisfactory to Agent; or

(k) **Security Documents.** If any Guaranty and Security Agreement, any Mortgage or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected, and first priority Lien on the Collateral covered thereby, subject to Permitted Priority Liens; or

(l) **Loan Documents.** The validity or enforceability of any Loan Document shall at any time for any reason be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document; or

(m) **[Reserved];**

(n) **[Reserved];** or

(o) **ERISA Event.** Prior to or on the Senior Notes Termination Date, an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan as a result of the Lender's failure to comply with Applicable Law and which would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Following the Senior Notes Termination Date, an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Loan Party to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan; a Loan Party or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan; or any event similar to the foregoing occurs or exists with respect to a Foreign Plan, which would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

10. THE LENDER GROUP'S RIGHTS AND REMEDIES.

10.1 **Rights and Remedies.** Upon the occurrence and during the continuation of an Event of Default and in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by Applicable Law, Agent may, and, at the direction of the Required Lenders, shall, do any one or more of the following:

(a) declare all or any portion of the principal of, and any and all accrued and unpaid interest and fees with respect to, the Loans and all other Obligations, whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and the Borrower shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by the Borrower;

(b) declare the Commitments terminated, whereupon the Commitments shall immediately be terminated;

(c) terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of the Lender Group, but without affecting any of Agent's Liens in the Collateral and without affecting the Obligations; and

(d) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under Applicable Law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 9.1(d) or Section 9.1(e), in addition to the remedies set forth above, without any notice to the Borrower or any other Person or any act by the Lender Group, the Term Loan Commitment shall automatically terminate and the Obligations, inclusive of the principal of, and any and all accrued and unpaid interest and fees with respect to the Loans and all other Obligations, whether evidenced by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and the Borrower shall automatically be obligated to repay all of such Obligations in full, without presentment, demand, protest, or notice or other requirement of any kind, all of which are expressly waived by the Borrower.

Agent shall not be required to take any action pursuant to this Section 10.1 unless so directed in writing by the Required Lenders and in Agent's good faith determination, taking such enforcement action is permitted under the terms of the Loan Documents and Applicable Law, and taking such enforcement action will not result in any liability of Agent to any Loan Party or any other Person for which Agent has not been indemnified for under the Loan Documents.

Notwithstanding anything to the contrary in this Section 10.1, no enforcement action will be taken with respect to the Collateral (other than Acquired Financed Loan Party Collateral) until the Senior Notes have been repaid in full.

10.2 **Remedies Cumulative.** The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

11. TAXES AND EXPENSES.

Upon the occurrence and during the continuance of an Event of Default, to the extent that any Loan Party fails to pay any monies (whether Taxes, assessments, insurance premiums, or, in the case of leased properties or assets, rents or other amounts payable under such leases) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, Agent, in its sole discretion and without prior notice to any Loan Party, may do any or all of the following: (a) make payment of the same or any part thereof; or (b) in the case of the failure to comply with Section 6.7 hereof, obtain and maintain insurance policies of the type described in Section 6.7 and take any reasonable action with respect to such policies as Agent deems prudent. Any such amounts paid by Agent shall constitute Lender Group Expenses and any such payments shall not constitute an agreement by the Lender Group to make similar payments in the future or a waiver by the Lender Group of any Event of Default under this Agreement. Agent need not inquire as to, or contest the validity of, any such expense, Tax, or Lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

12. WAIVERS; INDEMNIFICATION.

12.1 **Demand; Protest; etc.** Each Loan Party waives demand, protest, notice of protest, notice of default, acceleration or intent to accelerate, dishonor, notice of

payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which any Loan Party may in any way be liable.

12.2 **The Lender Group's Liability for Collateral.** Each Loan Party hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Loan Parties.

12.3 **Indemnification.** Each Loan Party shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, brokers or consultants and all other costs and expenses actually and reasonably incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery incurred in advising, structuring, drafting, reviewing, administering, amending, waiving or otherwise modifying the Loan Documents (to the extent covered by the indemnification rights and obligations under this Section 12.3), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of the Loan Parties' and its Subsidiaries' compliance with the terms of the Loan Documents and (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by any Loan Party or any Environmental Actions, Environmental Liabilities and costs or Remedial Actions related in any way to any such assets or properties of any Loan Party or any of their Subsidiaries' (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, no Loan Party shall have any obligation to any Indemnified Person under this Section 12.3 with respect to any Indemnified Liability that a court of competent jurisdiction determines pursuant to a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Person or any Agent-Related Person or any Lender-Related Person thereof. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which any Loan Party was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Loan Parties with respect thereto.

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13. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail (at the email addresses as a party may designate in accordance herewith). In the case of notices or demands to the Borrower, Agent or the Lenders, as the case may be, they shall be sent to the respective address set forth below:

If to the Borrower:	Jushi Holdings Inc. 301 Yamato Road, Suite 3250 Boca Raton, Florida 33431 Attention: Legal Department Email: [***]
with copies to:	Feuerstein Kulick LLP 810 Seventh Avenue, 34 th Floor New York, NY 10019 Attention: Samantha Gleit Email: [***]
	and
	Kramer Levin Naftalis & Frankel LLP 1177 6th Avenue New York, NY 10036 Attention: Kenneth Chin Email: [***]
If to Agent:	Roxbury, LP c/o Sunstream Bancorp Inc. 1900 Dome Tower, 333 – 7th Avenue S.W. Calgary, Alberta T2P2Z1 Attention: Aaron Bunting, Legal Email: [***]
with copies to:	O'Melveny & Myers LLP 7 Times Square New York, NY 10036 Attention: Sung Pak Email: [***]
If to a Lender:	As set forth on such Lender's signature page

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 13, shall be deemed received on the earlier of the date of actual receipt or three (3) Business Days after the deposit thereof in the mail; provided that (a) notices sent by overnight courier service shall be deemed to have been given the next day and (b) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

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14. **CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT WITH RESPECT TO SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK NOT INCLUDING CONFLICTS OF LAWS RULES.

(b) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVES THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK, SITTING IN THE COUNTY OF WESTCHESTER OR COUNTY OF NEW YORK, AT THE LENDER'S DISCRETION, AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(d) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES WITH RESPECT TO ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH PARTY HERETO HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

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15. **ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.**

15.1 **Assignments and Participations.**

(a) **Assignments.** Any Lender may, with the consent of Agent and the Borrower (provided, that the consent of the Borrower (A) shall not be unreasonably withheld or delayed (provided further that if such consent is not granted, it shall not be considered unreasonably withheld or delayed if the proposed assignment is to a Person who is a Competitor, or a lender to or an affiliate of a Competitor, of the Borrower or any Loan Party) and (B) shall not be required if an Event of Default exists or such assignment is to a Permitted Assignee), at any time assign to one or more Persons (other than natural persons) who is, unless an Event of Default has occurred and has not been cured (if capable of cure) within 60 days of such occurrence, not a Competitor (any such Person, an "Assignee") all or any portion of such Lender's Loans. In connection with any assignment, regardless of whether Agent or Borrower consent is required, prior to effectuating such assignment the applicable Lender(s) and Assignee(s) shall obtain all necessary governmental, regulatory, and other material consents, approvals and exemptions required to be obtained in connection therewith. Except as Agent may otherwise agree, any such assignment shall be in a minimum aggregate amount equal to one million Dollars (\$1,000,000) or, if less, the remaining Commitments and Loans held by the assigning Lender. The Loan Parties and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Assignee until Agent shall have received and accepted an Assignment and Acceptance.

(i) From and after the date on which the conditions described above have been met, and subject to acceptance and recording of the assignment pursuant to Section 15.1(a)(iii), (x) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender hereunder and (y) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, shall be released from its rights (other than its indemnification rights) and obligations hereunder. Upon the request of the Assignee (and, as applicable, the assigning Lender) pursuant to an effective Assignment and Acceptance, Borrower shall execute and deliver to Agent for delivery to the Assignee (and, as applicable, the assigning Lender) a Note or Notes setting forth such Lender's Loans (and, as applicable, a Note or Notes in the principal amount of the Loans retained by the assigning Lender). Each such Note shall be dated the effective date of such assignment. Upon receipt by Agent of such Note(s), the assigning Lender shall return to Borrower any prior Note held by it, and such Note shall be cancelled by Borrower and of no further force or effect.

(ii) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; *provided that* no such pledge or assignment of a security interest shall be made, unless an Event of Default has occurred and has not been cured (if capable of cure) within 60 days of such occurrence, to a Competitor or release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

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(iii) Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(b) Any Lender may, at any time sell to one or more Persons (other than natural persons) participating interests in its Term Loans or other interests hereunder (any such Person, a "Participant"). In connection with any sale by a Lender of a participating interest in its Term Loans, prior to effectuating such sale applicable

Lender(s) and each Participant shall obtain all necessary governmental, regulatory, and other material consents, approvals and exemptions required to be obtained in connection therewith. In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder shall remain unchanged for all purposes, (b) Borrower and Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder and (c) all amounts payable by Borrower shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender. No Participant shall have any direct or indirect voting rights hereunder except with respect to any event described in Section 16.1 expressly requiring the unanimous vote of all Lenders or, as applicable, all Affected Lenders. Each Lender agrees to incorporate the requirements of the preceding sentence into each participation agreement which such Lender enters into with any Participant. Each Lender that sells a participation to a Participant shall, acting solely for this purpose as an agent of Borrower, maintain at one of its offices a register for the recordation of the names and addresses of each such Participant, and the Commitments of, and principal amount of and accrued interest on the Loans owing to, such Participant (the "Participant Register"); *provided that* no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Loans, Commitments or its other obligations under any Loan Document) to any Person except to the extent that disclosure is required to establish that such a participation in a Loan or other obligation is held by a Participant who is a non-resident alien individual (within the meaning of Code Section 871) or a foreign corporation (within the meaning of Code Section 881) is in registered form (as described above). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall have the right to treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

15.2 **Successors.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; *provided that* no Loan Party may assign this Agreement or any rights or duties hereunder without the Required Lenders' prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release any Loan Party from its Obligations.

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16. AMENDMENTS; WAIVERS.

16.1 Amendments and Waivers.

(a) No amendment, waiver, or other modification of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or, with respect to a Loan Document other than this Agreement, by Agent) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; *provided, however*, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

- (i) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,
 - (ii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees, Original Issue Discount or other amounts payable hereunder or under any other Loan Document (except (x) in connection with the waiver of applicability of Section 2.5(c) (which waiver shall be effective with the written consent of the Required Lenders) or (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (ii)),
 - (iii) change the Pro Rata Share (i.e., the vote) that is required to take any action hereunder,
 - (iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,
 - (v) other than as permitted by Section 17.12, release Agent's Lien in and to all or substantially all of the Collateral,
 - (vi) amend, modify, or eliminate the definitions of "Required Lenders" or "Pro Rata Share",
 - (vii) contractually subordinate any of Agent's Liens,
 - (viii) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, release any Loan Party from any obligation for the payment of money or consent to the assignment or transfer by any Loan Party of any of its rights or duties under this Agreement or the other Loan Documents,
 - (ix) amend, modify, or eliminate any of the provisions of Section 2.3(b)(i) or (ii) or Section 2.3(g), or
 - (x) amend, modify, or eliminate any of the provisions of Section 15.1 with respect to assignments to, or participations with, Persons who are a Loan Party or an Affiliate of a Loan Party.
- (b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate, any provision of Section 17 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Loan Parties, and the Required Lenders.

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Anything in this Section 16.1 to the contrary notwithstanding, any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender.

16.2 Replacement of Certain Lenders.

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 17.11, then Agent and the Borrower, upon at least five (5) Business Days prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than fifteen (15) Business Days after the date such notice is given.

- (b) Prior to the effective date of such replacement, the Non-Consenting Lender or Tax Lender, as applicable, and each Replacement Lender shall execute

and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (including all interest, fees, and other amounts that may be due and payable in respect thereof, including the Make-Whole Premium described in Section 2.3(g)) and any costs that are incurred by a Tax Lender in connection with such replacement. If the Non-Consenting Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or on behalf of the Non-Consenting Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 15.1.

16.3 **No Waivers; Cumulative Remedies.** No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by the Loan Parties of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

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17. AGENT; THE LENDER GROUP.

17.1 **Appointment and Authorization of Agent.** Each Lender hereby designates and appoints Roxbury, LP as its agent under this Agreement and the other Loan Documents and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other Loan Documents on its behalf, and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 17. The provisions of this Section 17 are solely for the benefit of Agent, and the Lenders, and no Loan Party shall have any rights as a third party beneficiary of any of the provisions contained herein. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Loan Document, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the payments and proceeds of Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) exclusively receive, apply, and distribute the payments and proceeds of Collateral as provided in the Loan Documents, (d) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes, (e) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to any Loan Party, the Obligations, the Collateral, or otherwise related to any of same as provided in the Loan Documents, and (f) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

17.2 **Delegation of Duties.** Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence, bad faith or willful misconduct.

17.3 **Liability of Agent.** None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final and nonappealable judgment), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Loan Party, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Loan Party or any other party to any Loan Document to perform its obligations hereunder or thereunder (other than such filings and other actions as are necessary to perfect and maintain rights in the Collateral). No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of any Loan Party or any of its Subsidiaries.

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17.4 **Reliance by Agent.** Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any of the Loan Parties or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Required Lenders (or, to the extent required by Section 16.1(a), all affected Lenders). If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders (except as otherwise required by Section 16.1(a)).

17.5 **Notice of Default or Event of Default.** Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 17.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 10.1.

17.6 **Credit Decision.** Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent

hereinafter taken, including any review of the affairs of any Loan Party or its Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender with any credit or other information with respect to any Loan Party, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

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17.7 **Costs and Expenses; Indemnification.** Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, reasonable attorneys fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Loan Parties are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from the payments or proceeds of the Collateral received by Agent to reimburse Agent for such reasonable and documented out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by any Loan Party, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's Pro Rata Share thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Loan Parties and without limiting the obligation of Loan Parties to do so) from and against any and all Indemnified Liabilities; *provided that* no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final and nonappealable judgment. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's Pro Rata Share of any costs or out of pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice with respect to rights or responsibilities under, this Agreement, any other Loan Document, to the extent that Agent is not reimbursed for such expenses by or on behalf of Loan Parties. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

17.8 **Agent in Individual Capacity.** Roxbury, LP and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Stock in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party or its Affiliates and any other Person party to any Loan Documents as though Roxbury, LP were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Roxbury, LP or its Affiliates may receive information regarding the any Loan Party or its Affiliates or any other Person party to any Loan Document that is subject to confidentiality obligations in favor of Loan Parties or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them.

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17.9 **Successor Agent.** Agent may resign as Agent upon thirty (30) days (ten (10) days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders), the Borrower (unless such notice is waived by the Borrower). If Agent resigns under this Agreement, the Required Lenders shall be entitled to appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, the Required Lenders shall act as Agent until they appoint a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of Applicable Law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders; *provided that*, solely for purposes of this fourth sentence of Section 17.9, "Required Lenders" shall be deemed to exclude the current Agent in its capacity as a Lender and any Lender that is an Affiliate of such current Agent. In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 17 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Required Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Required Lenders appoint a successor Agent as provided for above.

17.10 **Lender in Individual Capacity.** Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Stock in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party or its Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding any Loan Party or its Affiliates and any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Loan Parties or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

17.11 **Withholding Taxes.**

(a) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by such Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

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(b) **Payment of Other Taxes by Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of Agent timely reimburse it for the payment of, any Other Taxes.

(c) **Indemnification by Borrower.** Each Loan Party shall, jointly and severally, indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to such Loan Party by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) **Indemnification by the Lenders.** Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that a Loan Party has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 15.1(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to the Lender from any other source against any amount due to Agent under this paragraph (d).

(e) **Evidence of Payments.** As soon as practicable after any payment of Taxes by a Loan Party to a Governmental Authority pursuant to this Section, the Borrower shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(f) **Status of Lenders.** Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and Agent, at the time or times reasonably requested by the Borrower or Agent, such properly completed and executed documentation reasonably requested by the Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or Agent as will enable the Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (f)(i)(A), (i)(B) and (i)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

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(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the IRC (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or Agent to determine the withholding or deduction required to be made; and

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(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or Agent such

documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or Agent as may be necessary for the Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied in all material respects with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and Agent in writing of its legal inability to do so.

(g) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) **Survival.** Each party's obligations under this Section shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

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17.12 **Collateral Matters.**

(a) The Lenders hereby irrevocably authorize Agent to release any Lien on any Collateral (i) upon the Commitments and payment and satisfaction in full by the Loan Parties of all of the Obligations (other than contingent obligations with respect to which no claim has been made), (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if the Loan Parties certify to Agent and the Lenders that the sale or disposition is permitted under Section 7.4 (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which the Loan Parties did not own any interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased or licensed to any Loan Party under a lease or license that has expired or is terminated in a transaction permitted under this Agreement, or (v) in connection with a credit bid or purchase authorized under this Section 17.12. The Loan Parties and the Lenders hereby irrevocably authorize Agent, upon the instruction of the Required Lenders, to (a) consent to the sale of, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent and the Required Lenders in accordance with Applicable Law in any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such contingent or unliquidated claims cannot be estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the Collateral that is the subject of such credit bid or purchase) and the Lenders whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the Collateral that is the subject of such credit bid or purchase (or in the Stock of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by such any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration. Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of (y) if the release is of all or substantially all of the Collateral, all of the Lenders, or (z) otherwise, the Required Lenders. Upon request by Agent or the Loan Parties at any time, the Lenders will confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 17.12; provided that (1) anything to the contrary contained in any of the Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly released) upon (or obligations of the Loan Parties with respect to) any and all interests retained by any Loan Party, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(b) Agent shall have no obligation whatsoever to any of the Lenders (i) to verify or assure that the Collateral exists or is owned by any Loan Party or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (iv) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that with respect to the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral in its capacity as one of the Lenders and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise expressly provided herein.

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17.13 **Restrictions on Actions by Lenders; Sharing of Payments.**

(a) Each of the Lenders agrees that it shall not, without the express written consent of the Required Lenders, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of the Required Lenders, set off against the Obligations, any amounts owing by such Lender to any Loan Party or any deposit accounts of any Loan Party now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by the Required Lenders, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Loan Party or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from any Loan Party pursuant to the terms of this Agreement, or (ii) payments in

excess of such Lender's Pro Rata Share of all such amounts, such Lender promptly shall (A) turn the same over to Agent or other Lenders, as applicable, in kind, and with such endorsements as may be required to negotiate the same to Agent or the other Lenders, as applicable, or in immediately available funds, as applicable, for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; *provided, however*, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

17.14 **Agency for Perfection.** Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

17.15 **Payments by Agent to the Lenders.** All payments to be made by Agent to the Lenders shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

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17.16 **Concerning the Collateral and Related Loan Documents.** Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

17.17 **Several Obligations; No Liability.** Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of the Lenders to make any credit available hereunder shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective portion of the Term Loan Commitment, to make an amount of such credit not to exceed, in principal amount, at any one time outstanding, the amount at such time of their respective portion of the Term Loan Commitment. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or with respect to, the business, assets, profits, losses, or liabilities of any other Lender. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided this Section 17.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to any Loan Party or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for it or on its behalf, nor to take any other action on its behalf hereunder or in connection with the financing contemplated herein.

18. GENERAL PROVISIONS.

18.1 **Effectiveness.** This Agreement shall be binding and deemed effective when executed by the Loan Parties, Agent, and each Lender whose signature is provided for on the signature pages hereof.

18.2 **Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

18.3 **Interpretation; Conflict with the Senior Notes.**

(a) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

(b) Borrower, each other Loan Party, Agent and each member of the Lender Group acknowledge and understand this Agreement and the other Loan Documents are subject to strict requirements for ongoing compliance with the Senior Notes Loan Documents, including, without limitation, requirements that the terms of the Loan Documents not impose any covenants that are more restrictive with respect to Borrower and its Subsidiaries than the covenants contained in the Senior Notes Loan Documents. Accordingly, to the extent there is any conflict between the terms of the Loan Documents (including for the avoidance of doubt, Sections 6.11, 6.12 and 6.13 hereof) and the terms of the Senior Notes Loan Documents, prior to the Senior Notes Termination Date, the terms of the Loan Documents shall be interpreted to be consistent with (and in no way more restrictive) than those contained in the Senior Notes Loan Documents. Borrower, each other Loan Party, Agent and each member of the Lender Group agrees that any ambiguity or inconsistency relating to the terms of the Loan Documents and the terms of the Senior Notes Loan Documents shall be interpreted in a manner that expressly and strictly complies with the requirements of the Senior Notes Loan Documents and the Lender Group hereby waives any and all claims against the holders of the Senior Notes with respect to any inconsistency or dispute arising therefrom. If necessary or desirable to comply with the requirements of the Senior Notes Loan Documents, Borrower, each other Loan Party, Agent and each member of the Lender Group hereby agree to promptly (and agree to cause their Affiliates and all of their respective representatives to) use their respective commercially best efforts to take all actions reasonably requested to ensure such compliance, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify the Loan Documents to reflect terms expressly and strictly comply with the Senior Notes Loan Documents.

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18.4 **Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

18.5 **Counterparts; Electronic Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by electronic mail or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by electronic mail or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding

effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

18.6 **Revival and Reinstatement of Obligations; Certain Waivers.** If any member of the Lender Group repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "**Voidable Transfer**"), or because such member of the Lender Group elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party with respect to such liability or any Collateral securing such liability.

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18.7 **Confidentiality.**

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding the Loan Parties, their operations, assets, and existing and contemplated business plans shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the "**Lender Group Representatives**") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group and *provided that* any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this **Section 18.7**, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule or regulation, (v) as may be agreed to in advance in writing by any Loan Party, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representative), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement; *provided*, that, such party is subject to confidentiality obligations no less protective of Borrower as those contained herein in connection therewith, (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents, and (x) in connection with the exercise of any secured creditor remedy under this Agreement or any other Loan Documents.

(b) Anything in this Agreement to the contrary notwithstanding, Agent may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of the Borrower or the other Loan Parties and the Loans provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of Agent.

18.8 **Debtor-Creditor Relationship.** The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

18.9 **Public Disclosure.** Each Loan Party agrees that it will not disclose any non-public information regarding Agent or any Lender or issue any press release or other public disclosure using the name of Agent, any Lender or any of their respective Affiliates or referring to this Agreement or any other Loan Document or any of the terms or provisions hereof or thereof without the prior written consent of Agent or such Lender, except (i) to the extent that a Loan Party is required to do so under Applicable Law (in which event, such Loan Party will consult with Agent or such Lender before issuing such press release or other public disclosure to the extent permitted by Applicable Law), (ii) to attorneys for and other advisors, accountants, auditors, and consultants to any member of such Loan Party and to employees, directors and officers of any member of such Loan Party (collectively, the "**Loan Party Representatives**") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (iii) to Subsidiaries and Affiliates of any Loan Party and *provided that* any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this **Section 18.9**, (iv) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (v) as may be required by statute, decision, or judicial or administrative order, rule or regulation, (vi) as may be agreed to in advance in writing by Agent or the applicable Lenders, (vii) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (viii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by any Loan Party or the Loan Party Representative) and (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents.

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18.10 **Survival.** All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid (other than contingent obligations with respect to which no claim has been made) and so long as the Commitments have not expired or been terminated.

18.11 **PATRIOT Act.** Each Lender that is subject to the requirements of the Patriot Act hereby notifies Loan Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies Loan Parties, which information includes the name and address of Loan Parties and other information that will allow such Lender to identify Loan Parties in accordance with the Patriot Act.

18.12 **Integration.** This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

18.13 **Joint and Several.** The obligations of the Loan Parties hereunder and under the other Loan Documents are joint and several.

18.14 **Acknowledgment and Consent to Bail-In of EEA Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

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(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

18.15 **Schedules.** Information furnished in any particular schedule attached hereto or any subsection thereof shall be deemed to have been disclosed with respect to every other schedule attached hereto or any subsection thereof to the extent the relevance of such information to other schedules or subsections thereof is readily apparent regardless of whether specific cross-reference is made.

19. RANKING.

19.1 **Postponement.** Notwithstanding anything contained herein to the contrary, it is hereby acknowledged and confirmed that the Obligations shall rank *pari passu* in right of payment with all Indebtedness and other obligations under the Senior Notes and the Senior Notes Loan Documents.

19.2 **Priority.** Notwithstanding anything contained herein to the contrary, it is hereby acknowledged and confirmed that:

(a) Security and the Senior Notes Security shall rank and be subordinated and postponed to one another as follows:

(i) with respect to the Acquired Financed Loan Party Collateral, the Security shall rank senior to and have priority over the Senior Notes Security; and

(ii) with respect to all other Collateral, the Security and the Senior Notes Security shall rank *pari passu*.

(b) With respect to the Acquired Non-Financed Party Collateral, the Security shall be (i) subordinate to the Lien of the financier that provided financing for the Permitted Acquisition of the relevant Acquired Non-Financed Party; (ii) rank *pari passu* with the Lien of the Senior Notes Refinancing Lender(s), if any, on such assets; and (iii) rank senior to and have priority over the Lien of any other party, subject only to Permitted Priority Liens. For the avoidance of doubt, each Acquired Non-Financed Party will constitute an Excluded Subsidiary prior to the Senior Notes Termination Date.

[Signature pages to follow.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

BORROWER:

JUSHI HOLDINGS INC., as Borrower

By: /s/ Jon Barack

Name: Jon Barack

Title: President

Signature Page to Credit Agreement

AGENT:

ROXBURY, LP, as Agent

By: /s/ Aaron Bunting

Name: Aaron Bunting

Title: Officer

Signature Page to Credit Agreement

LENDER[S]:

ROXBURY, LP, as a Lender

By: /s/ Aaron Bunting

Name: Aaron Bunting

Title: Officer

Signature Page to Credit Agreement

EXHIBIT A

[FORM OF] ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the “Assignment and Acceptance”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or otherwise modified, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignee], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations [in its capacity as a Lender][in their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). [Each such][Such] sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____

[Assignee is an Affiliate of [identify Lender]]

3. Agent: Roxbury, LP, as the agent under the Credit Agreement

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5. Credit Agreement That certain Credit Agreement dated as of October 20, 2021, by and among Jushi Holdings Inc., the other Loan Parties party thereto from time to time, the Lenders party thereto from time to time and Roxbury, LP, as Agent

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Aggregate Amount of Commitment/ Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/ Loans ¹	CUSIP Number
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

7. Notice and Wire Instructions:

[NAME OF ASSIGNOR]

[NAME OF ASSIGNEE]

Notices:

Notices:

Attention:

Telecopier:

Attention:

Telecopier:

with a copy to:

Attention:
Telecopier:

Wire Instructions:

with a copy to:

Attention:
Telecopier:

Wire Instructions:

¹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[Signature page follows.]

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Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Title:

Consented to and Accepted:

ROXBURY, LP, as Agent

By: _____
Title:

[Consented to:

JUSHI HOLDINGS INC., as Borrower

By: _____
Title:]²

² NTD: If applicable.

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ANNEX 1

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1 . 1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender [or Competitor]; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated with respect to any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1 . 2 . Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an Assignee under Section 15.1 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such

other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, and (vii) if it is a Lender organized under the laws of a jurisdiction other than the United States, attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

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2. Payments. From and after the Effective Date, Agent shall make all payments with respect to [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York without regard to conflict of laws principles thereof.

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EXHIBIT B

[FORM OF] COMPLIANCE CERTIFICATE

[on Borrower's letterhead]

To: ROXBURY, LP

c/o Sunstream Bancorp Inc.
1900 Dome Tower, 333 – 7th Avenue S.W.
Calgary, Alberta T2P2Z1
Attention: Aaron Bunting, Legal
Email: [***]

Re: Compliance Certificate, dated [●], 20[●]

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of October 20, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among, **JUSHI HOLDINGS INC.** (the "Borrower"), the other Loan Parties party thereto from time to time, the lenders party thereto from time to time as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and **ROXBURY, LP**, as the agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

Pursuant to Section 5.1 of the Credit Agreement, the undersigned officer of the Borrower hereby certifies (in such officer's capacity as an officer of the Borrower and not in such person's individual capacity) as of the date hereof that:

1. The financial information of the Borrower and its Subsidiaries furnished in Schedule 1 attached hereto has been prepared in accordance with Applicable Accounting Standards (except, in the case of unaudited financial statements, for year-end audit adjustments and the lack of footnotes), and fairly presents in all material respects the financial condition of the Borrower and its Subsidiaries as of the date set forth therein.

2. Such officer has reviewed the terms of the Credit Agreement and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and financial condition of the Borrower and its Subsidiaries during the accounting period covered by the financial statements delivered pursuant to Section 5.1 of the Credit Agreement.

3. Such review has not disclosed the existence on and as of the date hereof, and the undersigned does not have knowledge of the existence as of the date hereof, of any event or condition that constitutes a Default or Event of Default, except for such conditions or events listed on Schedule 2 attached hereto, in each case specifying the nature and period of existence thereof and what action the Borrower or its Subsidiaries have taken, are taking, or propose to take with respect thereto.

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4. Except as set forth on Schedule 3 attached hereto, the representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date).

5. As of the date hereof, the Loan Parties are in compliance with the applicable covenants contained in Section 8 of the Credit Agreement as demonstrated on Schedule 4 hereto.

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this [] day of [], 20[].

JUSHI HOLDINGS INC.,
as Borrower

By: _____
Name: _____
Title: _____

[Signature Page to Compliance Certificate]

SCHEDULE 1

Financial Information

SCHEDULE 2

Default or Event of Default

SCHEDULE 3

Representations and Warranties

SCHEDULE 4

Financial Covenants

1. **Maximum Total Leverage Ratio.**

The Total Leverage Ratio for the fiscal quarter ending on [], 202[], is []:[], which ratio [is/is not] greater than or equal to the maximum ratio set forth in Section 8.1 of the Credit Agreement for the corresponding period.

2. **Minimum Cash Balance.**

The sum of unrestricted cash [and Cash Equivalents] as of the date hereof is equal to \$[], which amount **[is/is not]** at least equal to the required amount set forth in Section 8.2 of the Credit Agreement for the corresponding period.

3. **Debt Service Coverage Ratio.**

The Debt Service Coverage Ratio for the fiscal quarter ending on [], 202[], is []:[], which ratio [is/is not] greater than or equal to the maximum ratio set forth in Section 8.4 of the Credit Agreement for the corresponding period.³

³ To be tested to the extent any Loan Party incurs Permitted Indebtedness in connection with any Permitted Acquisition, and seeks to make payment of principal in respect of any such Indebtedness.

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purpose)

Reference is hereby made to the Credit Agreement dated as of October 20, 2021 (as amended, supplemented or otherwise modified from time to time, the Credit Agreement), among JUSHI HOLDINGS INC., the other loan parties that are party thereto from time to time, the lenders party thereto from time to time, and ROXBURY, LP, as agent for the lenders thereunder.

Pursuant to the provisions of Section 17.11 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) with respect to which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and Agent, and (2) the undersigned shall have at all times furnished the Borrower and Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____
Date: _____, 20[]

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EXHIBIT C-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purpose)

Reference is hereby made to the Credit Agreement dated as of October 20, 2021 (as amended, supplemented or otherwise modified from time to time, the Credit Agreement), among JUSHI HOLDINGS INC., the other loan parties that are party thereto from time to time, the lenders that are party thereto from time to time, and ROXBURY, LP, as agent for the lenders thereunder.

Pursuant to the provisions of Section 17.11 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation with respect to which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____
Date: _____, 20[]

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EXHIBIT C-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purpose)

Reference is hereby made to the Credit Agreement dated as of October 20, 2021 (as amended, supplemented or otherwise modified from time to time, the Credit Agreement), among JUSHI HOLDINGS INC., the other loan parties that are party thereto from time to time, the lenders that are party thereto from time to time, and ROXBURY, LP, as agent for the lenders thereunder.

Pursuant to the provisions of Section 17.11 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation with respect to which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:
Date: _____, 20[]

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EXHIBIT C-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purpose)

Reference is hereby made to the Credit Agreement dated as of October 20, 2021 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among JUSHI HOLDINGS INC., the other loan parties that are party thereto from time to time, the lenders that are party thereto from time to time, and ROXBURY, LP, as agent for the lenders thereunder.

Pursuant to the provisions of Section 17.11 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) with respect to which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and Agent, and (2) the undersigned shall have at all times furnished the Borrower and Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:
Date: _____, 20[]

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EXHIBIT D

[FORM OF] TERM LOAN REQUEST

ROXBURY, LP

Date: _____

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of October 20, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among, **JUSHI HOLDINGS INC.** (the "Borrower"), the other Loan Parties party thereto from time to time, the lenders party thereto from time to time as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and **ROXBURY, LP**, as the agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

(A) The Borrower irrevocably requests the making of a Term Loan as follows:

(1) Tranche of Term Loans: _____

(2) Funding Date: _____

(2) Amount of Term Loan \$ _____

(B) The Borrower irrevocably instructs and authorizes Agent to disburse the proceeds of the Term Loan requested in clause (A)(2) above in the manner set forth in Section 2.2(b) of the Credit Agreement and incorporated herein by reference, in accordance with the terms and provisions of the Credit Agreement.

(C) The Borrower represents and warrants to Agent, after giving effect to the Term Loans requested hereby:

(1) The Loan Parties, on a consolidated basis, are Solvent.

(2) No Default or Event of Default has occurred and is continuing on the date hereof or will result from the making of the Term Loans requested hereby

(3) the representations and warranties of the Borrower and its Subsidiaries set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date); and

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(4) No material adverse change in the financial condition of the Loan Parties or in the quality, quantity or value of any Collateral has occurred since [December 31, 2020]⁴ [the Closing Date]⁵.

(5) the conditions precedent set forth in Section [3.1]⁶ [3.3]⁷ of the Credit Agreement have been satisfied on and as of the date of the Term Loan requested hereby.

[Signature page follows.]

⁴ To be used for the Initial Term Loan.

⁵ To be used for any Additional Term Loan.

⁶ To be used for the Initial Term Loan.

⁷ To be used for any Additional Term Loan.

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Very truly yours,

JUSHI HOLDINGS INC., as the Borrower

By: _____

Name: _____

Title: _____

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Schedule A-1
Agent's Account

SCHEDULE C-1

Commitments

Lender

Commitment

Schedule 6.1

Financial Statements, Reports, Certificates

Deliver to Agent and each Lender each of the financial statements, reports, or other items set forth below at the following times in form satisfactory to the Required Lenders:

as soon as available, but in any event within thirty (30) days after the end of each month during each fiscal year of the Borrower	monthly financial statements in the form customarily prepared by management consistent with past practice; a report detailing all Capital Expenditures in reasonable detail;
as soon as available, but in any event within forty-five (45) days after the end of each fiscal quarter during each fiscal year of the Borrower	an unaudited consolidated balance sheet and statement of cash flow and consolidating income statement covering Borrower's and its Subsidiaries' operations during such period; a Compliance Certificate along with the underlying calculations, including the calculations to arrive at the Total Leverage Ratio, the Minimum Cash Balance, and the Debt Service Coverage Ratio, in each case, to the extent applicable;
as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower	consolidated financial statements of the Borrower and its Subsidiaries for each such fiscal year, audited by the Auditor and certified, without any qualifications (including any (i) "going concern" or like qualification or exception or (ii) qualification or exception as to the scope of such audit), by such accountants to have been prepared in accordance with Applicable Accounting Standards, such audited financial statements to include a balance sheet, income statement, and statement of cash flow); a Compliance Certificate along with the underlying calculations;
as soon as available, but in any event thirty (30) days prior to the start of each fiscal year of the Borrower	copies of the Borrower's Projections, in form and substance (including as to scope and underlying assumptions) reasonably satisfactory to Agent, for the forthcoming three (3) fiscal years, month by month, certified by the Chief Financial Officer or Chief Executive Officer of the Borrower as being such officer's good faith estimate of the financial performance of the Borrower and its Subsidiaries during the period covered thereby;
promptly, but in any event within three (3) Business Days after Loan Parties have knowledge of any event or condition that constitutes a Default or an Event of Default	notice of such event or condition and a statement of the curative action that Loan Parties propose to take with respect thereto;

promptly after the commencement thereof, but in any event within three (3) Business Days after the service of process with respect thereto on any Loan Party or any of its Subsidiaries	notice of all actions, suits, or proceedings brought by or against Borrower or any of its Subsidiaries in which the current liabilities or potential liability would be reasonably expected to exceed One Million Dollars (\$1,000,000); notices of all actions, suits or proceedings relating to any Cannabis License, and copies of all correspondence to or from any Governmental Authority or Regulatory Authority relating to any Cannabis License; notice of any infringement or claim of infringement by any other Person with respect to any Intellectual Property rights of any Loan Party, or if there is any claim by any other Person that any Loan Party in the conduct of its business is infringing on the Intellectual Property Rights of others;
within a reasonable period of time following the reasonable request of Agent	any other information reasonably requested regarding the Loan Parties;
promptly after the same becomes available	copies of all periodic and other notices, minutes, consents, reports, statements and other materials distributed to the Board of Directors of any Loan Party or to any of their respective shareholders generally, as the case may be;
with delivery of the financial statements for each fiscal quarter	Copies of any long-term employment agreement with any officer or Person with similar duties of a Loan Party or any material amendment thereto; Copies of any new Material Contracts or Cannabis Licenses; A certification that all prior Excluded Subsidiaries continue to qualify as Excluded Subsidiaries or, if applicable, a reasonably detailed explanation for any Subsidiary explaining why it no longer constitutes an Excluded Subsidiary, All board packages provided to the members of such Board of Directors during such fiscal quarter, with such redactions as the Borrower may reasonably make to the extent sharing such information (i) would reasonably be expected to jeopardize an attorney-client privilege, (ii) would reasonably be expected to result in a breach by any Loan Party of its obligations under any law, regulation, contract or agreement, (iii) would reasonably be expected to materially and adversely impact the discharge of the director's fiduciary duties to the Borrower, (iv) includes information relating to any transactions with Agent or any Lender, or their affiliates or such information relates to the Loan Documents, or (v) includes information relating to confidential labor matters.

Schedule 6.2

Collateral Reporting

Provide Agent and each Lender with each of the documents set forth below at the following times in form satisfactory to the Required Lenders:

within three (3) Business Days after any Loan Party obtains knowledge thereof	the filing or creation of any Lien or claim relating to any Acquired Financed Loan Party Real Property and any violation of any Applicable Law or any Material Contract relating to any Acquired Financed Loan Party Real Property; and

within a reasonable period of time following request by Agent	such reports as to the Collateral or the financial condition of the Borrower and its Subsidiaries as Agent may reasonably request.

LIMITED WAIVER AND FIRST AMENDMENT TO CREDIT AGREEMENT

This Limited Waiver and First Amendment to Credit Agreement (this “**Agreement**”) is made as of April 29, 2022 (the “**Effective Date**”), by and among Jushi Holdings Inc. (“**Borrower**”), the other loan parties signatory hereto (the “**Other Loan Parties**”) and Roxbury, LP (“**Lender**”). All capitalized terms used but not otherwise defined in this Agreement shall have the meaning provided in the Credit Agreement.

RECITALS

WHEREAS, Borrower, the Other Loan Parties and Lender are parties to that certain Credit Agreement, dated as of October 20, 2021 (the “**Credit Agreement**”);

WHEREAS, Lender is the only lender under the Credit Agreement as of the Effective Date;

WHEREAS, pursuant to Section 16.1(a) of the Credit Agreement, no amendment, waiver or other modification of any provision of the Credit Agreement shall be effective unless the same shall be in writing and signed by Required Lenders, Borrower and the other Loan Parties;

WHEREAS, Jushi Europe SA (“**Jushi Europe**”) intends to proceed with a reorganization pursuant to a petition for bankruptcy in Switzerland (the “**Jushi Europe Filing**”);

WHEREAS, the Loan Parties have requested that the Lender waive any Defaults arising from the Jushi Europe Filing and, subject to the terms and conditions of this Agreement, the Lender is willing to waive any such Defaults arising therefrom; and

WHEREAS, each party hereto desires to enter into this Agreement to amend the Credit Agreement as more expressly provided herein.

NOW, THEREFORE, based on the mutual promises provided herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

AGREEMENT

1. Limited Waiver.

a. As of the Effective Date but subject at all times to Section 4 below, the Lender hereby waives any Default resulting from the Jushi Europe Filing subject to the terms hereof.

b. The waiver contained in this Section 1 is a limited waiver and (i) shall not constitute nor be deemed to constitute a waiver of (x) any Default or Event of Default other than the Jushi Europe Filing whether or not known to the Lender and whether or not existing on the date of this Agreement, or (y) any term or condition of the Credit Agreement or any other Loan Documents, and (ii) shall not constitute nor be deemed to constitute a consent by the Lender to anything other than as expressly stated herein.

2. Amendments. As of the Effective Date, the Credit Agreement is hereby amended as follows:

a. The following new definitions shall be added to Section 1.1 the Credit Agreement:

“First Amendment Effective Date” means April 29, 2022.

“Jushi Europe” means Jushi Europe SA, a société anonyme organized under the laws of Switzerland.

“Jushi Europe Proceeding” means that certain petition for bankruptcy that is contemplated to be filed by Jushi Europe in Switzerland either on or after the First Amendment Effective Date, and any Insolvency Proceeding relating thereto.

b. The following definitions in Section 1.1 the Credit Agreement shall be deleted in their entirety and replaced with the following:

“Subsidiary” of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity. Unless otherwise indicated, any use of the term Subsidiary means a Subsidiary of the Borrower; *provided* that on and after the First Amendment Effective Date, Jushi Europe and each Subsidiary of Jushi Europe shall be deemed to not be a Subsidiary of any Loan Party.

“Total Leverage Ratio” means, as of any date of determination, the ratio of (a) the amount of Total Funded Indebtedness as of such date, to (b) EBITDAR for the consecutive four (4) fiscal quarter period ended as of such date; *provided* that for purposes of calculating the EBITDAR for the fiscal quarters ending March 31, 2023, June 30, 2023 and September 30, 2023 to determine compliance with Section 8.1 herein, instead of using the consecutive 4 fiscal quarter period ending as of such date, the EBITDAR will be annualized as follows:

(i) for purposes of calculating the EBITDAR for the fiscal quarter ending March 31, 2023, the EBITDAR for the fiscal quarter ending March 31, 2023 will be multiplied by 4;

(ii) for purposes of calculating the EBITDAR for the fiscal quarter ending June 30, 2023, *the sum of* EBITDAR for the fiscal quarters ending March 31, 2023 and June 30, 2023 will be multiplied by 2; and

(iii) for purposes of calculating the EBITDAR for the fiscal quarter ending September 30, 2023, *the sum of* EBITDAR for the fiscal quarters ending March 31, 2023, June 30, 2023 and September 30, 2023 will be multiplied by 1 and 1/3.

c. The definition of “Permitted Indebtedness” in Section 1.1 of the Credit Agreement is hereby amended by deleting clause (u) therein in its entirety and replacing it in its entirety with the following:

(u) (i) Indebtedness incurred by Jushi Europe SA and/or its Subsidiaries in an amount that shall not exceed the Indebtedness listed on Schedule 1.1(c) plus \$500,000 and interest on any such Indebtedness (but excluding intercompany Indebtedness) at any one time outstanding, (ii) beginning on the First Amendment Effective Date, up to \$750,000 for expenses relating to the Jushi Europe Proceeding; and (iii) Indebtedness between Excluded Subsidiaries.

d. The definition of “Permitted Investments” in Section 1.1 of the Credit Agreement is hereby amended by deleting clause (g) therein in its entirety and replacing it with “(g) [Reserved].”

e. Section 2.12 of the Credit Agreement is hereby amended by adding “(a)” immediately prior to the first sentence thereof and adding the new subclause (b) at the end of such Section 2.12:

(b) The Borrower shall not, and shall not permit any of its Subsidiaries to, consummate any Senior Notes Refinancing unless the terms and conditions thereof are consented to in writing by the Required Lenders in the Required Lenders’ sole discretion.

f. Section 8.1 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

8.1 Maximum Total Leverage Ratio. The Loan Parties shall have a Total Leverage Ratio, measured on a fiscal quarter-end basis, of not greater than the correlative ratio indicated in the following table:

Applicable Ratio	Fiscal Quarter Ending
N/A	March 31, 2022
N/A	June 30, 2022
N/A	September 30, 2022
N/A	December 31, 2022
6.00 to 1.00	March 31, 2023
5.00 to 1.00	June 30, 2023
4.00 to 1.00	September 30, 2023
4.00 to 1.00	December 31, 2023
3.50 to 1.00	March 31, 2024, and all fiscal quarters ending thereafter

On the Senior Notes Termination Date Agent shall have the right to affirm its consent to the Total Leverage Ratio as currently set forth in this Section 8.1 or to propose revisions. If revisions are proposed, Borrower and Agent agree to work in mutual good faith to modify the Total Leverage Ratio as of the Senior Notes Termination Date.

g. Section 9.1 of the Credit Agreement is hereby amended by replacing clauses (m) and (n) therein with the following:

(m) **Senior Notes Refinancing.** If any Loan Party shall consummate a Senior Notes Refinancing that is counter to Section 2.12(b) herein.

(n) **Jushi Europe Proceeding.** Beginning on the First Amendment Effective Date, if the Loan Parties shall incur any liabilities in connection with the Jushi Europe Proceeding which in the aggregate are in excess of \$2,500,000 (excluding up to \$750,000 of expenses relating to the Jushi Europe Proceeding).

h. Schedule 1.1(c) attached here is hereby added as a new schedule to the Credit Agreement.

3. Condition Precedent to Effectiveness. This Agreement shall become effective on the date on which (x) each party hereto has received duly executed counterparts of this Agreement and (y) the representations and warranties contained in Section 5 hereof are true and correct.

4. Condition Subsequent. Notwithstanding anything to the contrary in the Credit Agreement, it shall be a condition subsequent to the Effective Date that no Loan Party shall make any contribution or Restricted Payment to, or investment in, Jushi Europe or any Subsidiary of Jushi Europe at any time after the Effective Date, except to the extent any expenses or other amounts a Loan Party may incur pursuant to the Credit Agreement (as amended hereby) in connection with the Jushi Europe Proceeding would constitute any of the foregoing. Any breach of this Section 4 shall constitute an immediate Event of Default under the Credit Agreement.

5. Representations and Warranties. The Borrower and each Loan Party represents and warrants that:

a. Except to the extent the Jushi Europe Filing constitutes a Default, and except for any matters previously disclosed in writing as exceptions to the representations and warranties set forth in the Credit Agreement, immediately before and immediately after giving effect to this Agreement, the representations and warranties contained in the Credit Agreement are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof (except to the extent that any such representations and warranties specifically relate to an earlier date, in which case all such representations and warranties are true and correct in all material respects on and as of the applicable date); and

b. Except to the extent the Jushi Europe Filing constitutes a Default, immediately before and immediately after giving effect to this Agreement, no Default or Event of Default will have occurred and be continuing.

6. Interpretation of Certain Clauses. Any compromise or settlement of an account receivable or a delinquent receivable from Jushi Europe, or any settlement, release, surrender or waiver of a contractual right or claim with respect to the Jushi Europe Proceeding shall be expressly permitted under clauses (j) and (t) of the definition of “Permitted Disposition”.

7. Miscellaneous.

a. Severability. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purposes of determining the legal enforceability of any specific provision.

b. Ratification. Except to the extent expressly modified by this Agreement, the Parties reconfirm and ratify the Credit Agreement and confirm that the Credit Agreement has remained in full force and effect, to the extent set forth therein, since the date of its execution.

c. No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

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d. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

e. Loan Document. This Agreement constitutes a Loan Document. All references to the Credit Agreement in the Loan Documents shall mean the Credit Agreement as modified by this Agreement.

f. APPLICABLE LAW. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK NOT INCLUDING CONFLICTS OF LAWS RULES.

[Signature pages follow]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

BORROWER:

JUSHI HOLDINGS INC.

By: /s/ Jon Barack

Name: Jon Barack

Title: President

LENDER:

ROXBURY, LP

By: /s/ Ryan Dunfield

Name: Ryan Dunfield

Title: CEO and Managing Principal

Schedule 1.1(c)

Intercompany Notes Payable to Jushi Holdings Inc – \$1,920,241

Loans Payable to Third Parties (including minority shareholders) – \$3,327,377

Additional Accounts Payable and Accrued Liabilities – \$160,114

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●].

THIS WARRANT AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN REGISTERED PURSUANT TO THE US SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR ANY US STATE SECURITIES ACTS. SUCH SECURITIES ONLY MAY BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED OR DISPOSED OF IN A TRANSACTION REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND TO PERSONS THAT ARE, IN EACH CASE, ALSO “QUALIFIED PURCHASERS” AS DEFINED IN THE US INVESTMENT COMPANY ACT OF 1940 (THE “INVESTMENT COMPANY ACT”). THIS WARRANT MAY NOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS DESCRIBED IN THIS WARRANT. THE COMPANY HAS NOT BEEN, AND DOES NOT INTEND TO BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT.

**WARRANT TO PURCHASE CLASS B SUBORDINATE VOTING SHARES OF
JUSHI HOLDINGS INC.**

(incorporated under the laws of British Columbia)

EXERCISABLE ONLY PRIOR TO 5:00 P.M., TORONTO TIME, ON [●], AFTER WHICH TIME THESE WARRANTS SHALL BE NULL AND VOID

CERTIFICATE NO. [●]

Number of Class B subordinate voting shares
represented by this warrant certificate — [●]

THIS CERTIFIES THAT, for value received, [●] (the “**Holder**”) is entitled, at any time prior to the Expiry Time, to purchase, at the Exercise Price, [●] Class B subordinate voting shares in the capital of Jushi Holdings Inc. (the “**Corporation**”), by surrendering to the Corporation at its principal office, in Boca Raton, Florida, United States of America (or at such other place as the Corporation may notify the Holder hereof in writing), this Warrant, together with a Subscription Form, duly completed and executed, cash or a certified cheque, money order or bank draft in lawful money of the United States of America payable to or to the order of the Corporation in Boca Raton for the amount equal to Exercise Price per Subordinate Voting Share multiplied by the number of Subordinate Voting Shares subscribed for, on and subject to the terms and conditions set forth below:

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1. Definitions

In this Warrant, including the preamble, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

- (a) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions are closed in New York, New York;
- (b) “**Corporate Reorganization**” means any transaction whereby all or substantially all of a corporation’s undertaking, property and assets would become the property of any other Person whether by way of arrangement, reorganization, consolidation, amalgamation, merger, continuance under any other jurisdiction of incorporation or otherwise.
- (c) “**Corporation**” means Jushi Holdings Inc., a corporation incorporated under the laws of British Columbia, and its successors and assigns;
- (d) “**Exercise Price**” means [●] per Subordinate Voting Share;
- (e) “**Expiry Time**” means 5:00 pm (EST) on [●];
- (f) “**Person**” means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof;
- (g) “**Securities Act**” means the United States Securities Act of 1933, as amended;
- (h) “**Subordinate Voting Shares**” means the Class B subordinate voting shares in the capital of the Corporation;
- (i) “**Subscription Form**” means the form of subscription annexed hereto as Schedule “A”;
- (j) “**Transfer Form**” means the form of transfer annexed hereto as Schedule “B”;
- (k) “**U.S. Person**” means a U.S. person as that term is defined in Regulation S of the Securities Act;
- (l) “**U.S. Purchaser**” means (a) any U.S. Person, (b) any person purchasing securities on behalf or for the benefit of any U.S. Person or any person in the United States, (c) any person that receives or received an offer of the securities while in the United States, (d) any person that is in the United States at the time the purchaser’s buy order was made or the subscription agreement was executed or delivered”; and
- (m) “**this Warrant**”, “**Warrant**”, “**herein**”, “**hereby**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean or refer to this Warrant and any deed or instrument supplemental or ancillary thereto and any schedules hereto or thereto and not to any particular article, section, subsection, clause, subclause or other portion hereof.

2. Expiry Time

After the Expiry Time, all rights under the Warrant evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall wholly cease and terminate and such Warrant shall be void and of no value or effect.

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3. Exercise Procedure

The Holder may exercise the right of purchase herein provided for by surrendering or delivering to the Corporation prior to the Expiry Time at its principal office (or at such other place as the Corporation may notify the Holder hereof in writing): (a) this certificate, with the Subscription Form duly completed and executed by the holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Corporation, and (b) cash or a certified cheque, money order or bank draft payable to or to the order of the Corporation in lawful money of the United States of America in an amount equal to the Exercise Price multiplied by the number of Subordinate Voting Shares for which subscription is being made. Any warrant certificate and cash, certified cheque, money order or bank draft referred to in the foregoing clauses shall be deemed to be surrendered only upon delivery thereof to the Corporation at its principal office (or at such other place as the Corporation may notify the Holder hereof in writing) in the manner provided for in Section 23 hereof.

4. Entitlement to Certificate

Upon such delivery and payment as aforesaid, the Corporation shall cause to be issued to the Holder hereof the Subordinate Voting Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this certificate and the Holder hereof shall become a shareholder of the Corporation in respect of such shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates, or evidence of book-entry issuance, evidencing such Subordinate Voting Shares subscribed for.

5. Partial Exercise

The Holder may subscribe for and purchase a number of Subordinate Voting Shares that is less than the number that the Holder is entitled to purchase pursuant to this certificate. In the event of any such subscription and purchase prior to the Expiry Time, the Holder shall in addition be entitled to receive, without charge, a new Warrant certificate in respect of the balance of the Subordinate Voting Shares of which the Holder was entitled to purchase pursuant to this certificate and which were then not purchased.

6. No Fractional Shares

The Corporation shall not be required upon the exercise of any Warrants, to issue fractional Subordinate Voting Shares in satisfaction of its obligations hereunder. To the extent that the Holder would be entitled to purchase a fraction of a Subordinate Voting Share, such right may be exercised in respect of such fraction only in combination with other rights which in the aggregate entitle the Holder to purchase a whole number of Subordinate Voting Shares.

7. Anti-Dilution Protection

(a) Definitions. For the purposes of this Section 7, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below will have the respective meanings specified therefor in this subsection:

- (i) **“Adjustment Period”** means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

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- (ii) **“Current Market Price”** of a Subordinate Voting Share at any date means the volume weighted average trading price on the Aequitas Neo Exchange, or such other stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days ending three trading days prior to the relevant date or, if the Subordinate Voting Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Subordinate Voting Share being determined by dividing the aggregate sale price of all Subordinate Voting Shares sold on the said exchange or market, as the case may be, during the said five trading days by the aggregate number of Subordinate Voting Shares so sold or, if the Subordinate Voting Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Corporation;
- (iii) **“director”** means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action “by the directors” means action by the directors of the Corporation as a board or, whenever empowered, action by the executive committee of such board; and
- (iv) **“trading day”** with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange, market or over-the-counter market is open for business.

(b) Adjustments. The Exercise Price and the number of Subordinate Voting Shares issuable to the Holder pursuant to this Warrant will be subject to adjustment from time to time in the events and in the manner provided below. The purpose and intent of the adjustments provided for in this Section 7(b) is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (i), (ii), (iii) or (iv) of this Section 7(b). Accordingly, the provisions of this Section 7(b) shall be interpreted and applied in accordance with such purpose and intent.

- (i) If at any time during the Adjustment Period the Corporation:
 - (A) fixes a record date for the issue of, or issues, Subordinate Voting Shares to the holders of all or substantially all of the outstanding Subordinate Voting Shares by way of a stock dividend;
 - (B) fixes a record date for the distribution to, or makes a distribution to, the holders of all or substantially all of the Subordinate Voting Shares payable in Subordinate Voting Shares or securities exchangeable for or convertible into Subordinate Voting Shares;
 - (C) subdivides the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; or
 - (D) consolidates the outstanding Subordinate Voting Shares into a lesser number of Subordinate Voting Shares;

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(any of such events in subclauses (A), (B), (C) and (D) above being herein called a **“Subordinate Voting Share Reorganization”**), the Exercise Price will be adjusted on the earlier of the record date on which holders of Subordinate Voting Shares are determined for the purposes of the Subordinate Voting Share Reorganization and the effective date of the Subordinate Voting Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(X) the numerator of which will be the number of Subordinate Voting Shares outstanding on such record date or effective date before giving effect

to such Subordinate Voting Share Reorganization; and

(Y) the denominator of which will be the number of Subordinate Voting Shares which will be outstanding immediately after giving effect to such Subordinate Voting Share Reorganization (including in the case of a distribution of securities exchangeable for or convertible into Subordinate Voting Shares, the number of Subordinate Voting Shares that would be outstanding had such securities all been exchanged for or converted into Subordinate Voting Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 7(b)(i) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Subordinate Voting Shares, the Exercise Price will be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Subordinate Voting Shares actually issued and remaining issuable after such expiry and will be further readjusted in such manner upon the expiry of any further such right.

(ii) If at any time during the Adjustment Period the Corporation fixes a record date for the issue or distribution of rights, options or warrants to the holders of all or substantially all of the outstanding Subordinate Voting Shares pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the “**Rights Period**”), to subscribe for or purchase Subordinate Voting Shares or securities exchangeable for or convertible into Subordinate Voting Shares at a price per share (or in the case of securities exchangeable for or convertible into Subordinate Voting Shares at an exchange or conversion price per share at the date of issue of such securities) of less than 95% of the Current Market Price of the Subordinate Voting Shares on such record date (any of such events being herein called a “**Rights Offering**”), the Exercise Price will be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(A) the numerator of which will be the aggregate of

- (I) the number of Subordinate Voting Shares outstanding on the record date for the Rights Offering; and
- (II) the quotient determined by dividing

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(i) either (a) the product of the number of Subordinate Voting Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Subordinate Voting Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Subordinate Voting Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(ii) the Current Market Price of the Subordinate Voting Shares as of the record date for the Rights Offering; and

(B) the denominator of which will be the aggregate of the number of Subordinate Voting Shares outstanding on such record date and the number of Subordinate Voting Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Subordinate Voting Shares the number of Subordinate Voting Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this Section 7(b)(ii), there is more than one purchase, conversion or exchange price per Subordinate Voting Share, the aggregate price of the total number of additional Subordinate Voting Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, will be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Subordinate Voting Share, as the case may be. Any Subordinate Voting Shares owned by or held for the account of the Corporation will be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 7(b)(ii) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this Section 7(b)(ii), the Exercise Price will be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Subordinate Voting Shares actually issued and remaining issuable after such expiry and will be further readjusted in such manner upon the expiry of any further such right.

(i) If at any time during the Adjustment Period the Corporation fixes a record date for the issue or distribution to the holders of all or substantially all of the Subordinate Voting Shares of:

(A) shares of the Corporation or any other corporation of any class other than Subordinate Voting Shares;

(B) rights, options or warrants to acquire Subordinate Voting Shares or securities exchangeable for or convertible into Subordinate Voting Shares (other than rights, options or warrants pursuant to which holders of Subordinate Voting Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Subordinate Voting Shares at a price per share (or in the case of securities exchangeable for or convertible into Subordinate Voting Shares at an exchange or conversion price per share at the date of issue of such securities) of at least 95% of the Current Market Price of the Subordinate Voting Shares on such record date);

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(C) evidences of indebtedness of the Corporation; or

(D) any property or assets of the Corporation;

and if such issue or distribution does not constitute a Subordinate Voting Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a “**Special Distribution**”), the Exercise Price will be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(I) the numerator of which will be the difference between

- (i) the product of the number of Subordinate Voting Shares outstanding on such record date and the Current Market Price of the Subordinate Voting Shares on such record date, and

- (ii) the fair value, as determined by the directors of the Corporation, acting reasonably, at the time such distribution is authorized, to the holders of the Subordinate Voting Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and
- (II) the denominator of which will be the product obtained by multiplying the number of Subordinate Voting Shares outstanding on such record date by the Current Market Price of the Subordinate Voting Shares on such record date.

Any Subordinate Voting Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation will be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 7(b)(iii) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Subordinate Voting Shares or securities exchangeable for or convertible into Subordinate Voting Shares referred to in this Section 7(b)(iii), the Exercise Price will be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Subordinate Voting Shares issued and remaining issuable immediately after such expiry, and will be further readjusted in such manner upon the expiry of any further such right.

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- (ii) If at any time during the Adjustment Period there occurs:
 - (A) a reclassification or redesignation of the Subordinate Voting Shares, any change of the Subordinate Voting Shares into other shares or securities or any other capital reorganization involving the Subordinate Voting Shares other than a Subordinate Voting Share Reorganization;
 - (B) a consolidation, amalgamation, merger or other form of business combination of the Corporation with or into any other body corporate which results in a reclassification or redesignation of the Subordinate Voting Shares or a change or exchange of the Subordinate Voting Shares into other shares or securities; or
 - (C) the sale, lease, exchange or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a “**Capital Reorganization**”), after the effective date of the Capital Reorganization:

- (D) the Holder will be entitled to receive, and shall accept, upon exercise of the Warrants, in lieu of the number of Subordinate Voting Shares to which the Holder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Subordinate Voting Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of the Warrants; and
- (E) the Exercise Price shall, on the effective date of the Capital Reorganization, be adjusted by multiplying the Exercise Price in effect immediately prior to such Capital Reorganization by the number of Subordinate Voting Shares purchasable pursuant to this Warrant Certificate immediately prior to the Capital Reorganization, and dividing the product thereof by the number of successor securities determined in Section 7(b)(iv)(D) above.

If necessary, as a result of any Capital Reorganization, appropriate adjustments will be made in the application of the provisions of this Warrant with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant will thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants.

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- (iii) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price occurs pursuant to the provisions of Sections 7(b)(i), (ii) or (iii) hereof, then the number of Subordinate Voting Shares purchasable upon the subsequent exercise of the Warrants will be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Subordinate Voting Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which will be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.
- (c) Rules. The following rules and procedures will be applicable to adjustments made pursuant to Section 7(b) of this Warrant.
 - (i) Subject to the following provisions of this Section 7(c), any adjustment made pursuant to Section 7(b) hereof will be made successively whenever an event referred to therein will occur.
 - (ii) No adjustment in the Exercise Price will be required unless the adjustment would result in a change of at least one per cent (1%) in the Exercise Price then in effect and no adjustment will be made in the number of Subordinate Voting Shares purchasable or issuable on the exercise of the Warrants unless it would result in a change of at least one one-hundredth of a Subordinate Voting Share; provided, however, that any adjustments which except for the provisions of this Section 7(c)(ii) would otherwise have been required to be made will be carried forward and taken into account in any subsequent adjustment.
 - (iii) If at any time during the Adjustment Period the Corporation takes any action affecting the Subordinate Voting Shares, other than an action or an event described in Section 7(b) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder under this Warrant, the Exercise Price and/or the number of Subordinate Voting Shares purchasable under this Warrant will be adjusted in such manner and at such time as the directors may determine to be equitable in the circumstances, subject to the prior approval of any exchange on which the Subordinate Voting Shares trade, if applicable. Failure by the directors to take action so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Subordinate Voting Shares will be deemed to be evidence that the directors have determined that it is equitable to make no adjustment in the circumstances.

- (iv) No adjustment in the Exercise Price or in the number or kind of securities purchasable on the exercise of the Warrants will be made in respect of any event described in Section 7 hereof if the Holder is entitled to participate in such event on the same terms mutatis mutandis as if the Holder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event, provided that any such participation by the Holder is subject to the prior approval of any exchange on which the Subordinate Voting Shares trade, if applicable.

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- (v) If the Corporation sets a record date to determine holders of Subordinate Voting Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and will thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, no adjustment in the Exercise Price or the number of Subordinate Voting Shares purchasable upon the exercise of the Warrants will be required by reason of the setting of such record date.
- (vi) In any case in which this Warrant requires that an adjustment become effective immediately after a record date for an event referred to in Section 7(b) hereof, the Corporation may defer, until the occurrence of such event:
- (A) issuing to the Holder, to the extent that the Warrants are exercised after such record date and before the occurrence of such event, the additional Subordinate Voting Shares issuable upon such exercise by reason of the adjustment required by such event; and
- (B) delivering to the Holder any distribution declared with respect to such additional Subordinate Voting Shares after such record date and before such event;

provided, however, that the Corporation delivers to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Subordinate Voting Shares purchasable upon the exercise of the Warrants.

- (vii) If a dispute arises at any time with respect to any adjustment of the Exercise Price or the number of Subordinate Voting Shares purchasable pursuant to this Warrant, such dispute will be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act by such other firm of independent chartered accountants as may be selected by the directors, acting reasonably. The Corporation will provide such auditors with access to all necessary records of the Corporation.
- (viii) Adjustments to the Exercise Price or the number of Subordinate Voting Shares purchasable pursuant to this Warrant Certificate may be subject to the prior approval of any exchange on which the Subordinate Voting Shares trade, if applicable.
- (d) Taking of Actions. As a condition precedent to the taking of any action which would require an adjustment pursuant to Section 7(b) hereof the Corporation will take any action which may, in the opinion of the Corporation's legal counsel, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable shares all of the Subordinate Voting Shares which the Holder is entitled to receive in accordance with the provisions of this Warrant.

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- (e) Notice. At least twenty-one (21) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Subordinate Voting Shares which are purchasable under this Warrant, the Corporation will deliver to the Holder, at the Holder's registered address, a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Section 7(e) has been given is not then determinable, the Corporation will promptly after such adjustment is determinable deliver to the Holder, at the Holder's registered address, a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Subordinate Voting Shares will be open, and that the Corporation will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant, during such twenty-one (21) day period.
- (f) Consolidation and Amalgamation:
- (i) The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would, directly or indirectly, become the property of any other corporation (referred to herein as a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:
- (A) the successor corporation will have assumed all the covenants and obligations of the Corporation under this Warrant, and
- (B) the Warrants and the terms set forth in this Warrant will be valid and binding obligations of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant.
- (ii) Whenever the conditions of Section 7(f)(i) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under these Warrants in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

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8. Reclassification of Subordinate Voting Shares and Corporate Reorganizations

In the case of any reclassification of the Subordinate Voting Shares at any time outstanding or change of the Subordinate Voting Shares into other shares, or in case of a Corporate Reorganization of the Corporation (other than a Corporate Reorganization which does not result in a reclassification of the outstanding Subordinate Voting Shares

or a change of the Subordinate Voting Shares into other shares), the Holder shall be entitled to receive upon exercise, and shall accept, in lieu of the number of Subordinate Voting Shares to which it was previously entitled upon such exercise, the kind and amount of shares and other securities or property which the Holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date, it had been the registered holder of the number of Subordinate Voting Shares to which it was previously entitled upon exercise. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Section 7 with respect to the rights and interests thereafter of the Holder so that the provisions set forth in this Section 7 shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments shall be made by and set forth in a supplemental note approved by the board of directors of the Corporation and the Holder and shall for all purposes be conclusively deemed to be an appropriate adjustment.

9. **Not a Shareholder**

Nothing in this certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Corporation.

10. **Covenants**

The Corporation covenants and agrees that (i) so long as any rights to acquire Subordinate Voting Shares evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Subordinate Voting Shares to satisfy the right of purchase herein provided for should the Holder determine to exercise its rights in respect of all the Subordinate Voting Shares for the time being called for by such outstanding warrants; (ii) all Subordinate Voting Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Subordinate Voting Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable Subordinate Voting Shares and the holders thereof shall not be liable to the Corporation or to its creditors in respect thereof; and (iii) so long as any rights to acquire Subordinate Voting Shares evidenced hereby remain outstanding, the Corporation shall preserve and maintain its corporate existence and all licenses and permits that are material to the proper conduct of its business and it shall refrain from changing its name.

11. **Representation and Warranty**

The Corporation hereby represents and warrants with and to the Holder that the Corporation is duly authorized and has the corporate and lawful power and authority to create and issue this Warrant and the Subordinate Voting Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms.

12. **If Share Transfer Books Closed**

The Corporation shall not be required to deliver certificates or evidence of book-entry issuance for Subordinate Voting Shares while the share transfer books of the Corporation are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Subordinate Voting Shares called for thereby during any such period, delivery of certificates for Subordinate Voting Shares may be postponed for not exceeding five (5) business days after the date of the re-opening of said share transfer books. Provided however that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates or evidence of book-entry issuance for the Subordinate Voting Shares called for after the share transfer books shall have been re-opened.

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13. **Protection of Shareholders, Officers and Directors**

Subject as herein provided, all or any of the rights conferred upon the Holder may be enforced by the Holder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement herein contained or in any of the securities represented hereby shall be had against any shareholder, officer or director of the Corporation, either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrant evidenced hereby, are solely corporate obligations of the Corporation and that no personal liability whatever shall attach to or be incurred by the shareholders, officers, or directors of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrant evidenced hereby.

14. **Lost Certificate**

If the Warrant certificate evidencing the Warrant issued hereby becomes stolen, lost, mutilated or destroyed the Corporation may, on such terms as it may in its discretion impose, respectively issue and countersign a new warrant of like denomination, tenor and date as the certificate so stolen, lost mutilated or destroyed.

15. **Governing Law**

This Warrant shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia. The Corporation hereby irrevocably attorns to the jurisdiction of the Courts of the Province of British Columbia.

16. **Severability**

If any one or more of the provisions or parts thereof contained in this Warrant should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom, the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed and the invalidity, illegality or unenforceability of any provision or part thereof contained in this Warrant in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Warrant in any other jurisdiction.

17. **Headings**

The headings of the articles, sections, subsections and clauses of this Warrant have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant.

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18. **Numbering of Articles, etc.**

Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant.

19. **Gender**

Whenever used in this Warrant, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

20. **Day not a Business Day**

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day. If the payment of any amount is deferred for any period, then such period shall be included for purposes of the computation of any interest payable hereunder.

21. **Computation of Time Period**

Except to the extent otherwise provided herein, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

22. **Binding Effect**

This Warrant and all of its provisions shall enure to the benefit of the Holder, and their respective heirs, executors, administrators, successors, legal representatives and assigns and shall be binding upon the Corporation and its successors and permitted assigns. The expression the “Holder” as used herein shall include the Holder's assigns whether immediate or derivative.

23. **Notice**

Any notice, document or communication required or permitted by this Warrant to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or by registered mail or if transmitted by e-mail to such party addressed as follows:

(a) to the Holder, at:

[•]

(b) to the Corporation at:

[•]

Notice transmitted by a form of email communication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the other in the manner provided herein of any change of address which thereafter, until change by like notice, shall be the address of such party for all purposes hereof.

24. **Time of Essence**

Time shall be of the essence hereof.

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25. **Transfer of Warrants**

Subject to the terms hereof, this Warrant may be transferred. No transfer of this Warrant shall be effective unless this Warrant certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Corporation may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Corporation, are delivered to the Corporation. No transfer of this Warrant shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws.

26. **Charges for Transfer**

For each Warrant transferred, the Corporation shall charge to the Holder requesting the transfer of this Warrant a reasonable sum for each new Warrant certificate issued, and payment of such charges and reimbursement of the Corporation for any and all stamp taxes or governmental or other charges required to be paid shall be made by the Holder requesting the transfer of this Warrant as a condition precedent thereto.

27. **Canadian Legend on Warrant Certificates**

Any certificate representing Subordinate Voting Shares issued upon exercise of the Warrant prior to the date will bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [•].”

28. **U.S. Legend on Warrant Certificates**

(a) The Holder, the Corporation and any transfer agent of the Corporation understand and acknowledge that the Warrants and the Subordinate Voting Shares issuable upon exercise of the Warrants have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States.

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(b) Each Warrant originally issued to a U.S. Purchaser, and all Subordinate Voting Shares issued upon exercise of such Warrants, and all certificates issued in exchange or in substitution thereof or upon transfer thereof, will be issued in certificated form and shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY AND THE UNDERLYING SHARES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO JUSHI HOLDINGS INC. (THE “CORPORATION”), (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE TRANSFER AGENT FOR THE CORPORATION TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”;

“THIS WARRANT AND THE UNDERLYING SHARES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. “UNITED STATES” AND “U.S. PERSON” ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”

provided that, if any Warrants or Subordinate Voting Shares issuable upon exercise of the Warrants are being sold in accordance with Rule 904 of Regulation S, the legend may be removed by providing to the Corporation (or, at the direction of the Corporation, its transfer agent) (i) a declaration in a form prescribe by the Corporation from time to time; and (ii) if required by the Corporation (or, at the direction of the Corporation, its transfer agent), an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, or other evidence reasonably satisfactory to the Corporation, that the proposed transfer may be effected without registration under the Securities Act;

and provided, further, that, if any Warrants or Subordinate Voting Shares issuable upon exercise of the Warrants are being sold under Rule 144, the legend may be removed by delivering to the Corporation (or, at the direction of the Corporation, its transfer agent) an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, that the legend is no longer required under applicable requirements of the Securities Act or state securities laws.

(c) If a Warrant or Subordinate Voting Share issued with respect to an exercise of Warrants is tendered for transfer and bears the legend set forth in Section 28(b) herein and the holder thereof has not obtained the prior written consent of the Corporation, then the Corporation (or, at the direction of the Corporation, its transfer agent) shall not register such transfer unless the holder complies with the requirements of Section 28(b) hereof.

29. Counterparts

This Warrant may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Warrant.

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer as of this 23^d day of September, 2019.

JUSHI HOLDINGS INC.

Per:

Name:

Title:

ACKNOWLEDGED AND AGREED this [●] day of [●].

[●]

Per:

Name:

SCHEDULE “A”

SUBSCRIPTION FORM

TO: [●]

The undersigned hereby subscribes for Class B subordinate voting shares (“**Subordinate Voting Shares**”) of Jushi Holdings Inc. (the “**Corporation**”) (or such other number of Subordinate Voting Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the “**Warrant Certificate**”) dated as of the [●] day of [●] at the purchase price of [●] per Subordinate Voting Share until the Expiry Time (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder and encloses herewith a cheque, bank draft or money order in lawful money of the United States of America payable to or to the order of the Corporation in payment of the

subscription price.

The undersigned hereby directs that the Subordinate Voting Shares subscribed for be registered and delivered as follows:

Name in Full	Address	Number of Subordinate Voting Shares

DATED this _____ day of _____, 20 ____.

By: _____

SCHEDULE “B”

TRANSFER FORM

FOR VALUE RECEIVED, the undersigned holder of the Warrant of Jushi Holdings Inc., evidenced by the enclosed Warrant, hereby sells, assigns and transfers such Warrant unto _____.

The transferee hereby agrees that it will be bound by the terms of the Warrant as if and to the same extent as if it had been the original holder thereunder.

DATED this _____ day of _____, 20 ____.

(Signature and name of current Holder)

Per: _____

Name: _____

Title: _____

(Signature and name of transferee)

Per: _____

Name: _____

Title: _____

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●].

NEITHER THIS WARRANT NOR ANY OF THE SECURITIES FOR WHICH THIS WARRANT MAY BE EXERCISED HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE OR JURISDICTION SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THIS WARRANT MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, ASSIGNMENT, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE SECURITIES ACT AND ANY APPLICABLE STATE OR OTHER JURISDICTION SECURITIES LAWS.

Warrant No. [●]

[●] Shares

JUSHI HOLDING INC.

COMMON STOCK PURCHASE WARRANT

THIS CERTIFIES that, for value received, [●], (together with its successors and permitted assignee or transferee of this Warrant or the Shares (defined below) issued upon exercise of this Warrant, the “Warrant Holder”) is entitled to subscribe for and purchase from Jushi Holding Inc., a British Columbia corporation, (the “Company”) [●] fully-paid and non-assessable shares (which number of shares is subject to adjustment as described herein) (the “Shares”) of the Company’s Class B Subordinate Voting Stock, no par value (the “Common Stock”), at the per share price equal to the Purchase Price (as defined in Section 1.3 below), at any time until the Expiration Date (as defined in Section 1.2 below).

This Warrant is being issued by the Company in connection with, but for the avoidance of doubt is detached from, the Company’s issuance of a Senior Secured Note in the aggregate principal amount of [●] to the Warrant Holder (the “Note”) pursuant to that certain Subscription Agreement dated as of [●] (the “Subscription Agreement”; capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Subscription Agreement or the Note).

1. Issuance of Warrant.

1.1 **Number of Shares Subject to Warrant.** Subject to the terms and conditions herein set forth, the Warrant Holder is entitled to purchase from the Company [●] shares of Common Stock, subject to adjustment as provided herein.

1.2 **Exercise Period.** This Warrant shall be exercisable until 5:00 p.m., Eastern Time, on [●] (the “Expiration Date”).

1.3 **Purchase Price.** This Warrant is exercisable in whole or in part at an exercise price (the “Purchase Price”) of US\$[●] per share.

1.4 **Exercise of Warrant.** The Warrant Holder shall exercise this Warrant in accordance with the provisions of Section 6 hereof.

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the provisions of Section 6 hereof.

2. Adjustments; Anti-Dilution Provisions.

2.1 Stock Split, Subdivision or Combination of Common Stock; Stock Dividend; Asset or Capital Dividend; or Rights Offerings

(a) **Stock Split, Subdivision or Combination.** If the Company, at any time while this Warrant is outstanding, shall split, subdivide or combine the Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), the number of Shares subject to purchase under this Warrant (i) shall be proportionately increased and the Purchase Price shall be proportionately decreased, in case of a split or subdivision of Common Stock, as of the effective date of such stock split or subdivision, or, if the Company shall take a record of the holders of the Common Stock for the purpose of so splitting or subdividing, as at such record date, whichever is earlier, or (ii) shall be proportionately decreased and the Purchase Price shall be proportionately increased, in the case of combination of Common Stock, as at the effective date of such combination or, if the Company shall take a record of holders of the Common Stock for the purpose of so combining, as at such record date, whichever is earlier.

(b) **Stock Dividends.** In the event the Company, at any time or from time to time while this Warrant is outstanding, shall pay a dividend payable in, or make any other distribution (except any distribution specifically provided for in Section 2.1(a) hereof) in the nature of a dividend of, Common Stock, then the Purchase Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Purchase Price in effect immediately prior to such date of determination by a fraction, the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution, and the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or distribution. The Warrant Holder shall thereafter be entitled to purchase, at the adjusted Purchase Price, the number of shares of Common Stock obtained by multiplying the Purchase Price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable upon the exercise hereof immediately prior to such adjustment, and dividing the product so obtained by the adjusted Purchase Price.

(c) **Rights Offerings.** If the Company grants, issues or sells Common Stock (other than a distribution in the nature of a dividend pursuant to Sections 2(b) or 2(d) hereof, which shall be governed by those sections, respectively), any preferred stock, right, option, warrant or other instrument that is convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock (each, a “Common Stock Equivalent”), or other rights to purchase stock, warrants, securities or other property pro-rata to the record holders of the Company’s Common Stock (each, a “Purchase Right”), the Company shall give the Warrant Holder notice, in writing, not less than ten (10) Business Days prior to the record date for the receipt of such Purchase Rights (a “Purchase Rights Notice”). Each Warrant Holder shall have five (5) Business Days from the date of receipt of a Purchase Rights Notice (the “Right Offering Election Period”) to inform the Company, in writing, that such Warrant Holder affirmatively elects to receive the applicable Purchase Rights, in which case such Warrant Holder shall be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Warrant Holder could have acquired if the Warrant Holder had held the number of Shares acquirable upon complete exercise of this Warrant (on the basis of a cash payment exercise) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights. In the event a Warrant Holder does not elect, in writing, to receive the applicable Purchase Rights within the Rights Offering Election Period, the then-current Purchase Price of the Shares acquirable upon complete exercise of this Warrant on the record date set forth in the preceding sentence shall be adjusted downward by an amount equal to the fair market value of the Purchase Rights as of the applicable record date (as determined by the Company’s Board of Directors in good faith).

(d) Asset or Capital Dividend. If the Company, at any time while this Warrant is outstanding, shall make a distribution of its assets pro-rata to the record holders of the Company's Common Stock and/or any class of stock convertible into its Common Stock as a dividend (an "Asset Dividend"), the Company shall give the Warrant Holder notice, in writing, not less than ten (10) Business Days prior to the record date for the receipt of such Asset Dividend (an "Asset Dividend Notice"). Each Warrant Holder shall have five (5) Business Days from the date of receipt of an Asset Dividend Notice (the "Asset Dividend Election Period") to inform the Company, in writing, that such Warrant Holder affirmatively elects to receive the applicable Asset Dividend, in which case the applicable Warrant Holder shall be entitled to acquire, upon the terms applicable to such Asset Dividends, the aggregate Asset Dividend which the Warrant Holder could have acquired if the Warrant Holder had held the number of Shares acquirable upon complete exercise of this Warrant (on the basis of a cash payment exercise) immediately before the date on which a record is taken for the distribution of such Asset Dividend, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the distribution of such Asset Dividend. In the event a Warrant Holder does not elect, in writing, to receive the applicable Asset Dividend within the Asset Dividend Election Period, the then-current Purchase Price of the Shares acquirable upon complete exercise of this Warrant on the record date set forth in the preceding sentence shall be adjusted downward by an amount equal to the fair market value of the Asset Dividend as of the applicable record date (as determined by the Company's Board of Directors in good faith).

(e) Adjustments for Consolidation, Merger, Sale of Assets, Reorganization or Reclassification. In the event the Company, at any time or from time to time while this Warrant is outstanding, (a) shall consolidate with or merge into any other entity and shall not be the continuing or surviving corporation of such consolidation or merger, or (b) shall permit any other entity to consolidate with or merge into the Company and the Company shall be the continuing or surviving entity but, in connection with such consolidation or merger, the Common Stock shall be changed into or exchanged for capital stock or other securities or property of any other entity, or (c) shall transfer all or substantially all of its properties and assets to any other entity, or (d) shall effect a capital reorganization or reclassification of the Common Stock (other than one deemed to result in the issuance of additional Common Stock), then, and in each such event, lawful provision shall be made so that the Warrant Holder shall be entitled to receive upon the exercise hereof at any time after the consummation of such consolidation, merger, transfer, reorganization or reclassification, in lieu of the Shares issuable upon exercise of this Warrant prior to such consummation, the capital stock and other securities and property to which the Warrant Holder would have been entitled upon such consummation if the Warrant Holder had exercised this Warrant immediately prior thereto. This Section 2.1(e) shall not apply to any merger or consolidation of the Company solely for the purposes of changing the legal domicile or jurisdiction of the Company.

(f) Certificate of Adjustment. The Company shall, within a reasonable time period after written request at any time by any Warrant Holder, furnish or cause to be furnished to the Warrant Holder a certificate setting forth adjustments of the Purchase Price and of the number of Shares issuable upon exercise of this Warrant and the amount, if any, of other property at the time receivable upon the exercise of this Warrant.

(g) No Other Adjustment. The amount of Shares issuable upon exercise of this Warrant and the Purchase Price shall not be adjusted except in the manner and upon the terms and conditions set forth in Section 2 of this Warrant. For clarity purposes, and notwithstanding anything contained herein to the contrary, in no event shall a Warrant Holder be entitled to both a dividend (including an Asset Dividend), distribution, Purchase Right or other payment or right of any kind or nature whatsoever (whether cash, securities, or otherwise) with respect to a Share pursuant to Section 2(c), 2(d) or 2(e) and a corresponding downward adjustment to the Purchase Price of the same Share.

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(h) Exempt Issuances. Notwithstanding the foregoing or anything contained in this Section 2 to the contrary, the provisions of this Section 2 shall not apply to any Exempt Issuance. For purposes hereof, an "Exempt Issuance" shall mean the issuance of Common Stock or Common Stock Equivalents: (i) to employees or directors of, or consultants to, the Company upon approval by the Company's board of directors or under a stock plan approved by the Company's board of directors, (ii) upon the exercise or conversion of securities that are issued and outstanding as of the Issue Date, (iii) in full or partial consideration in connection with a bona fide strategic merger, acquisition, consolidation or purchase of all or substantially all of the securities or assets of a Person, provided such issuance is not for the primary purpose of raising capital by the Company, and provided further the applicable transaction is approved by a majority of directors of the Company or of a special committee of the Company; (iv) in connection with any contingent or conditional indebtedness of the Company arising from or related to any contractual or other obligation of the Company entered into prior to the Issue Date; (v) in connection with any financing undertaken by the Company resulting in gross proceeds of less than **two million dollars (\$2,000,000)**; (vi) in connection with a bona fide strategic license or lease agreement, supply agreement, marketing or distribution agreement, or other bona fide partnering arrangement, provided such issuance is not for the primary purpose of raising capital by the Company; or (vii) to a bank or other financial institution pursuant to a bona fide commercial debt financing or to equipment lessor pursuant to a bona fide equipment leasing agreement.

(i) Adjustments subject to Stock Exchange Requirements. Any and all amendments and adjustments to the amount of Shares issuable upon exercise of this Warrant and the Purchase Price as contemplated in this Section 2 are subject to, and may only be made in compliance with, the rules of the Canadian Stock Exchange (the "CSE") or such other exchange on which the Common Stock are listed for trading, as well as all and applicable Canadian and U.S. securities laws.

3. **No Fractional Shares.** No fractional Shares will be issued in connection with any exercise hereof. In lieu of any fractional Shares that would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the fair market value per Share, as determined in good faith by the Company's Board of Directors, on the date of exercise.
4. **No Stockholder Rights.** This Warrant shall not entitle the Warrant Holder to any of the rights of a stockholder of the Company.
5. **Reservation of Shares.** The Company covenants that the Shares of Common Stock issuable upon the exercise of this Warrant have been duly authorized and reserved and, when issued and paid for, will be validly issued, fully paid and non-assessable. The issuance of this Warrant shall constitute full authority to those officers of the Company who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for Shares upon the exercise of this Warrant.

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6. **Exercise of Warrant.**

6.1 Time and Manner of Exercise. This Warrant may be exercised at any time or from time to time on or after the date hereof, but in no event later than the Expiration Date. In order to exercise this Warrant, in whole or in part, the Warrant Holder shall deliver to the Company, at its address specified in Section 10 below, (i) a written notice in the form of Annex A attached hereto of such Warrant Holder's election to exercise this Warrant, specifying the number of Shares to be purchased, (ii) a wire transfer or a certified or official bank check or checks payable to the order of the Company in an amount equal to the product of the Purchase Price and the number of Shares to be purchased at such time pursuant to the Warrant, and (iii) this Warrant. Upon receipt of such items, the Company shall, as promptly as practicable, and in any event within 20 days thereafter, issue or cause to be issued and delivered to such Warrant Holder a certificate or, if requested by the Warrant Holder, multiple certificates representing the aggregate number of full Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in Section 3 above. This Warrant shall be deemed to have been exercised and such certificate or certificates shall be deemed to have been issued, and such Warrant Holder or any other person so designated to be named therein

shall be deemed to have become a holder of record of such shares for all purposes, as of the date that such notice, together with said cash or check or checks and this Warrant, are received by the Company as aforesaid. If this Warrant shall have been exercised in part, the Company shall, at the time of delivery of said certificate or certificates, deliver to such Warrant Holder a new Warrant evidencing the rights of such Warrant Holder to purchase the unpurchased Shares, or such other securities as may become subject to the right to purchase by the Warrant Holder under the terms hereof, which new Warrant shall in all other respects be identical to this Warrant.

6.2 **Net Settlement (Cashless) Exercise.** In any exercise of this Warrant on any date occurring **twelve (12) months** after the date of issuance of this Warrant, and, provided that the Fair Market Value (as defined below) of the Shares is greater than the Purchase Price of the Shares on such exercise date, in lieu of payment of the aggregate Purchase Price in the manner specified in Section 6.1 above, but otherwise in accordance with the requirements of this Warrant, the Warrant Holder may elect to receive the Shares equal to the value of this Warrant, or portion hereof as to which the Warrant is being exercised. Thereupon, the Company shall issue to Holder such a number of fully paid and nonassessable Shares as is computed using the following formula:

$$X = Y(A-B) / A$$

Where:

X = The number of Shares to be issued to the Warrant Holder

Y = The number of Shares with respect to which this Warrant is being exercised

A = The Fair Market Value of the Shares with respect to which this Warrant is being exercised (where "Fair Market Value" equals the average closing volume weighted average price of the Company's Common Stock on the Canadian Securities Exchange (the "CSE") or such other principal stock exchange on which the Company's securities are traded for the **20** trading days immediately preceding the applicable exercise date)

B = The Purchase Price (as calculated in accordance with Section 1.3 hereof)

6.3 **Payment of Taxes and Expenses.** All Shares issuable upon the exercise of this Warrant shall be validly issued, fully paid and non-assessable, and the Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed in respect of, the issue or delivery thereof, other than any federal, state or local income tax or other tax based upon gross or net income, owed by the Warrant Holder on account of such issuance or delivery. The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for Shares in any name other than that of the registered Warrant Holder, and in such case the Company shall not be required to issue or deliver any stock certificate until such tax or other charge has been paid or it has been established to the Company's reasonable satisfaction that no such tax or other charge is due.

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7. **Replacement of Warrant.** On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company, at the expense of the Warrant Holder, shall execute and deliver, in lieu thereof, a new warrant.
8. **Transfer of Warrant.** This Warrant and all rights hereunder are transferable upon surrender of this Warrant properly endorsed; provided that: (a) such transfer must be effected in accordance with applicable securities laws, (b) the Company is, within a reasonable time prior to such transfer, furnished with written notice of the name and address of the transferee and the portion of the Shares issuable upon exercise of this Warrant to which the transferee is entitled, and (c) the Company has approved of such transfer (such approval not to be unreasonably withheld, conditioned or delayed). Upon such surrender, the Company, at the expense of the transferee or transferor hereof, as the transferee and transferor may decide between themselves, will issue and deliver to, on the order of the transferee, a new Warrant in the name of such transferee or as such transferee (on payment by such transferee of any applicable transfer taxes) may direct, calling in the aggregate on the face thereof for the number of Shares called for on the face of the Warrant surrendered.
9. **Miscellaneous.** This Warrant shall be governed by the laws of New York. The headings in this Warrant are for purposes of convenience and reference only and shall not be deemed to constitute a part hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.
10. **Notice Generally.** Any notice, demand or delivery pursuant to the provisions hereof shall be sufficiently given or made if sent by registered or certified mail, postage prepaid, addressed to the Warrant Holder at such Warrant Holder's last known address appearing on the books of the Company, or, except as herein otherwise expressly provided, to the Company at legal@jushico.com, Attention: Legal Department, or such other address as shall have been furnished to the party giving or making such notice, demand or delivery.
11. **Waiver of Jury Trial.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE COMPANY AND THE WARRANT HOLDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.
12. **Amendment and Waiver.**

12.1 **Amendment and Waiver.** Any provision of the Warrant may be amended, modified or supplemented, and waiver or consents to departures from the provisions of this Warrant may be given, with written consent of both the Company and the holders of Warrants representing greater than fifty percent (50%) of the Shares issuable upon exercise of all then outstanding Warrants.

12.2 **Effect of Amendment or Waiver.** Any such amendment or waiver shall apply to and be binding upon the Warrant Holder, upon each future holder of this Warrant and upon the Company, whether or not this Warrant shall have been marked to indicate such amendment or waiver. No such amendment or waiver shall extend to or affect any obligation not expressly amended or waived or impair any right consequent thereon.

{remainder of page intentionally left blank}

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IN WITNESS WHEREOF, the Company has executed and issued this Warrant as of _____, 20__.

JUSHI HOLDING INC., a British Columbia corporation

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

WARRANT HOLDER:

(Printed Name of the Warrant Holder)

(Signature: by authorized officer if a corporation; by authorized member or manager if a limited liability company; by general partner if a partnership; by owner of a sole proprietorship; by the trustee if a trust, by the Holder if an individual)

(Title, if signing on behalf of an entity)

SIGNATURE PAGE TO WARRANT

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ANNEX A

NOTICE OF EXERCISE

(To be Executed by the Registered Holder in Order to Exercise the Warrant)

The undersigned hereby irrevocably elects to exercise the right to purchase _____ (____) shares of Common Stock, no par value, of Jushi Holding Inc., covered by Warrant No. SN- according to the conditions thereof. The undersigned hereby elects to exercise by

_____ (a) Making payment of the Purchase Price of such shares in accordance with the provisions of Section 6.1 of the Warrant, in full, in the amount of \$ _____; OR

_____ (b) Electing to use the net settlement (cashless) exercise provisions of Section 6.2 of the Warrant.

The undersigned understands that the shares being issued hereunder have not been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws and that such shares may not be sold, transferred, or assigned in the United States except: (i) pursuant to an effective registration thereof under the Act; or (ii) if in the opinion of counsel for the registered owner thereof, which opinion is reasonably satisfactory to the Company, the proposed sale, transfer or assignment may be effected without such registration under the Act and will not be in violation of applicable state securities laws.

Dated: _____ Printed Name of
Registered Warrant
Holder: _____
Signature: _____
Address: _____

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) DATE OF DISTRIBUTION OF THE SECURITIES AND (II) THE DATE THE CORPORATION BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THIS WARRANT AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN REGISTERED PURSUANT TO THE US SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY US STATE SECURITIES ACTS. SUCH SECURITIES ONLY MAY BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED OR DISPOSED OF IN A TRANSACTION REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND TO PERSONS THAT ARE, IN EACH CASE, ALSO "QUALIFIED PURCHASERS" AS DEFINED IN THE US INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT"). THIS WARRANT MAY NOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS DESCRIBED IN THIS WARRANT. THE COMPANY HAS NOT BEEN, AND DOES NOT INTEND TO BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT.

THIS WARRANT CERTIFICATE, AND THE WARRANTS EVIDENCED HEREBY, SHALL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE THE EXPIRY TIME (AS HEREINAFTER DEFINED).

Number of Warrants: [●]

Issue Date: [●] (the "Issue Date")

Certificate No: [●]

Expiry Date: [●] (the "Expiry Date")

BROKER WARRANT CERTIFICATE

For value received, [●] (the "Holder") is the registered holder of that number of broker warrants (the "Warrants") of Jushi Holdings Inc. (the "Corporation") as set forth above.

1. **Warrants.** Each Warrant shall entitle the Holder to acquire, at the exercise price of US\$[●] (the "Exercise Price") per exercised Warrant, one (1) class B subordinate voting share in the capital of the Corporation (a "Share") as constituted on the Issue Date until 5:00 pm (Eastern Standard Time) on the Expiry Date (the "Expiry Time"). The Exercise Price and the number of Shares which the Holder is entitled to acquire upon exercise of the Warrants are subject to adjustment as hereinafter provided.
2. **Non-Transferable Warrants.** The Warrants evidenced hereby (or any portion thereof) may not be assigned or transferred by the Holder.
3. **Warrant Exercise Procedure.** The Warrants represented by this Warrant certificate may be exercised in whole or in part at any time prior to the Expiry Date by surrendering the original of this Warrant certificate at the offices of the Corporation set out in subsection 17(g) hereof together with a subscription form in the form attached as Schedule "A" hereto duly completed and executed, such additional documents as may be contemplated thereby, and a certified cheque, bank draft or money order in lawful money of the United States of America payable to or to the order of the Corporation.
4. **Register of Warrantholders.** The Corporation shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all holders of the Warrants and the number of Warrants held by each of them. The Corporation may treat the registered holder of any certificate representing Warrants as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

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5. **Partial Exercise.** The Holder may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this Warrant certificate prior to the Expiry Date, the Corporation shall issue a new Warrant certificate to the Holder in substantially the same form as this Warrant certificate with appropriate changes to reflect the unexercised balance of the Warrants.
6. **Delivery of Shares** As soon as commercially possible and no later than 10 business days of receipt by the Corporation of this Warrant certificate in accordance with, and the documents and payment noted in, Section 3, the Corporation will deliver the certificate(s) representing the Shares subscribed for and purchased by the Holder hereunder, and (ii) a replacement Warrant certificate, if any.
7. **No Rights of Shareholders.** Nothing contained in this Warrant certificate shall be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Corporation or any other right or interest except as herein expressly provided.
8. **Adjustment of Subscription and Purchase Rights.**
 - (a) The rights evidenced by this Warrant certificate are to purchase Shares. If there shall, prior to the exercise of any of the rights evidenced hereby, be any (a) reorganization of the authorized capital of the Corporation by way of consolidation, merger, sub-division, amalgamation, share exchange, arrangement, reclassification or otherwise; (b) transfer, sale, lease or exchange of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another person; (c) the payment of any stock dividends (other than in the ordinary course of business); (d) a special distribution or rights offering; (e) the change or exchange of the Shares into or with another security; or (f) any similar event or transaction not specifically contemplated by this Section 8 as determined by the Corporation in its sole discretion (collectively, a "Reorganization"), then there shall, subject to the consent of the Exchange (if required), automatically be an adjustment, as applicable, in (i) the number of Shares which may be issued pursuant hereto and/or the exercise price for the Shares, by corresponding amounts if applicable, and/or (ii) the kind and aggregate number of Shares or other securities or property resulting from the Reorganization, so that the rights evidenced hereby shall thereafter be as reasonably as possible equivalent to the rights originally granted hereby and such that the Holder, upon exercise of this Warrant following the effective date of the Reorganization, shall receive the number, kind and type of shares, securities or property the Holder would have been entitled to receive if, on the effective date thereof, the Holder had been the registered holder of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant certificate. In accordance with this certificate, the Corporation will make adjustments as it considers necessary and equitable acting in good faith, subject to any approvals required by the Exchange (if applicable). If at any time a dispute arises with respect to adjustments provided for herein, such dispute will be conclusively determined by the Canadian auditors of the Corporation or if they are unable or unwilling to act, by such other firm of Canadian independent chartered accountants as may be selected by the directors of the Corporation and any such determination, absent manifest error, will be binding upon the Corporation, the Holder and shareholders of the Corporation. The Corporation will provide such auditors or accountants with access to all necessary records of the Corporation and fees payable to such accountants or auditors will be paid by the Corporation.

- (b) At least twenty-one days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant certificate, including the Exercise Price and the number of Shares which are purchasable under this Warrant certificate, the Corporation will deliver to the Holder, at the Holder's registered address, a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Corporation will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant certificate, during such twenty-one day period.

9. **Consolidation and Amalgamation.** In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Holder, acting reasonably, and executed and delivered to the Holder, the due and punctual performance and observance of this Warrant certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant certificate.

10. **No Fractional Shares.** Upon the exercise of the Warrants evidenced hereby, the Corporation shall not be required to issue an aggregate number of Shares that results in any fractional Shares being issued and the Holder shall not be entitled to any cash payment or compensation in lieu of a fractional Share.

11. **Legending of Shares.** The Warrants have been, and the Shares will be, issued pursuant to an exemption (an "**Exemption**") from the registration and prospectus requirements of applicable securities law. To the extent that the Corporation relies on such Exemption, the Shares may be subject to restrictions on resale and transferability contained in applicable securities laws.

12. **Change; Waiver.** Subject to the approval of the Exchange (if required), the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Holder.

13. **No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for or the Corporation to issue any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase in the manner provided hereunder.

14. **Covenants.**

- (a) The Corporation covenants that (i) so long as any Shares evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein should the Holder determine to exercise its rights in respect of all the Shares available for purchase and issuance under outstanding Warrants, and (ii) all Shares which shall be issued upon the due exercise of the right to purchase provided for herein, upon payment therefor of the amount at which such Shares may at the time be purchased pursuant to the provisions hereof, shall, in respect of the Shares, be issued as fully paid and non-assessable class B subordinate voting shares in the capital of the Corporation be validly issued, free of all liens, charges and encumbrances; and
- (b) the Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.

15. **Representations and Warranties.** The Corporation hereby represents and warrants with and to the Holder that the Corporation is duly authorized and has the corporate and lawful power and authority to create and issue this Warrant certificate and the Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant certificate represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms.

16. **Lost Certificate.** If this Warrant certificate becomes stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, respectively issue and countersign a new Warrant certificate of like denomination, tenor and date as the Warrant certificate so stolen, lost, mutilated or destroyed.

17. **General.**

- (a) The headings in this certificate are for reference only and do not constitute terms of the Warrant certificate.
- (b) Whenever the singular or masculine is used in this Warrant certificate the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.
- (c) This Warrant certificate shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) Time shall be of the essence of this Warrant certificate.
- (e) This Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its principles governing the choice or conflict of laws. The Corporation and the Holder hereby irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any dispute related to or arising from this Warrant certificate.
- (f) All references herein to monetary amounts are references to lawful money of the United States of America.
- (g) All notices or other communications to be given to the Holder by the Corporation under this Warrant certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or electronic mail; and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic mail, on the date of transmission if sent before 5:00 p.m. (local time where the notice is received) on a business day or, if such day is not a business day, on the first business day following the date of transmission.

Notices to the Holder shall be addressed to the address of the Holder set out in the Register.

Notices to the Corporation shall be addressed to:

Each of the Corporation and the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant certificate.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer on [●].

[●]

By: _____
Authorized Signatory

Warrant Certificate Signature Page

SCHEDULE "A"

WARRANT CERTIFICATE SUBSCRIPTION FORM

Jushi Holdings Inc.

[●]

Dear Sirs/Mesdames:

The undersigned hereby exercises the right to purchase and hereby subscribes for _____ class B subordinate voting shares (the **Shares**) of Jushi Holdings Inc. (the **"Corporation"**) and herewith makes payment of the purchase price of USD\$_____ in full for the Shares.

In connection with the exercise of the Warrant certificate, the undersigned represents as follows: (Please check the ONE box applicable):

- ☐ The undersigned (a) at the time of exercise is not a U.S. person; (b) at the time of exercise is not within the United States; (c) is not exercising any of the Warrants represented by this Warrant certificate for the account or benefit of any U.S. person or person within the United States; and (d) did not execute or deliver this Subscription Form in the United States.
- ☐ The undersigned (a) purchased the Warrants directly from the Corporation pursuant to a subscription agreement for the purchase of units of the Corporation; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial purchaser, if any, (c) each of it and any beneficial purchaser was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act); and (d) the representations, warranties and covenants set forth in the written subscription agreement for the purchase of units from the Corporation continue to be true and correct.
- ☐ The undersigned has delivered to the Corporation a written opinion of U.S. counsel reasonably satisfactory to the Corporation to the effect that the Shares to be delivered upon exercise hereof are exempt from registration under the 1933 Act and the securities laws of all applicable states of the United States.

"1933 Act" means the United States *Securities Act of 1933*, as amended. **"U.S. person"** and **"United States"** are as defined by Regulation S under the 1933 Act.

Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 2 or Box 3 above is checked and the requirements in connection therewith have been satisfied.

Certificates representing Shares issued upon exercise of Warrants pursuant to Box 2 or Box 3 above will bear a U.S. restrictive legend.

If any Warrants represented by this Warrant certificate are not being exercised, a new Warrant certificate will be issued and delivered with the Share Warrant certificates.

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Please issue and deliver a certificate for the Shares being purchased as follows:

NAME:	_____
	(please print)
ADDRESS:	_____

DELIVERY	_____

INSTRUCTIONS:

- DATED** this _____ day of _____, _____.

City, Province/State and Postal/ZIP Code

THIS WARRANT AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MAY NOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS DESCRIBED IN THIS WARRANT. THE COMPANY HAS NOT BEEN AND, DOES NOT INTEND TO BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

JUSHI INC
WARRANT TO PURCHASE COMMON STOCK

Warrant No. [●]

[●]

This Class B Warrant (and any other warrants delivered in substitution or exchange hereof as provided herein, this “Warrant”) is issued, for value received, to [●] (the “Holder”) by Jushi Inc, a Delaware corporation (the “Company”). Except as otherwise defined herein, capitalized terms in this Warrant have the meanings set forth in Section 18.

1. Purchase of Shares. Subject to the terms and conditions of this Warrant, the Holder of this Warrant is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company may notify the Holder hereof in writing), to purchase from the Company [●] of fully paid and nonassessable shares of the Company’s Class B Common Stock, par value US\$0.00001 per share (the “Common Stock”) free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities Laws. The number of such shares are subject to adjustment as provided in Section 4. For purposes of this Warrant, the shares purchasable pursuant to this Warrant shall be referred to as the “Warrant Shares”.

2. Exercise.

2.1 Exercise Price. The purchase price for each Warrant Share subject to this Warrant (the “Exercise Price”) shall be US\$[●].

2.2 Exercise Date. Subject to the terms and conditions hereof, the Holder may exercise this Warrant for all or any part of the Warrant Shares at any time or from time to time from the Exercise Trigger until the Expiration Date (the “Exercise Period”).

2.3 Method of Exercise. While this Warrant remains outstanding and exercisable in accordance with the terms hereof, the Holder may exercise the purchase rights evidenced hereby, in whole or in part, but not for any fractional shares, by:

(a) surrendering to the Secretary of the Company at its principal offices (i) a notice of exercise, in the form attached hereto as Exhibit A and made a part hereof (a “Notice of Exercise”), (ii) this Warrant and (iii) if the Holder is not yet a party to any stockholders agreement relating to certain rights of the Company and its stockholders that is approved by the Board in good faith (“Stockholders Agreement”), a duly executed joinder to such Stockholders Agreement; and

(b) the payment of the Exercise Price and his or her share of all income and employment withholding taxes (if any), either (at the Holder’s election and as identified in the Notice of Exercise) by cash, check or wire transfer of immediately available funds in an amount equal to the aggregate Exercise Price for the number of Warrant Shares being purchased.

2.4 Exercise Date. Each exercise of this Warrant will be deemed to have been effected immediately prior to the close of business on the day on which both (a) the Notice of Exercise pursuant to Section 2.3 is deemed to be delivered pursuant to Section 14 and (b) all costs of the exercise (including any applicable withholding taxes) owed by the Holder have been satisfied (each such date, an “Exercise Date”).

2.5 Expenses. The Company will pay all expenses, taxes (other than transfer taxes and the Holder’s own obligation to pay his or her income and employment taxes, if any) and other charges payable in connection with the preparation, issuance and delivery of this Warrant and the Warrant Shares.

2.6 Certificates and Revised Warrant Documents. As soon as practicable after an Exercise Date (and in any event within five Business Days thereafter), the Company, at its expense, will cause to be issued in the name of, and delivered to, the Holder, or otherwise as the Holder may direct (subject to Section 5):

(a) a certificate or certificates for the number of shares of Common Stock, or evidence of book-entry issuance of such shares in uncertificated form, to which the Holder is entitled upon such exercise (it being agreed that each certificate or evidence so delivered will be in such denominations of shares of Common Stock as may be requested by the Holder but in no event in fractional shares); and

(b) if such exercise is in part only, an amended Warrant agreement that clarifies that the Holder may still purchase of a number of Warrant Shares equal to the difference of the number of Warrant Shares subject to this Warrant less the number of Warrant Shares that are issued to the Holder pursuant to such partial exercise.

2.7 Fractional Shares. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant. As to any fraction of a Warrant Share that the Holder would otherwise be entitled to purchase upon such exercise, such fractional share will be rounded down to the nearest whole number.

2.8 Conditional Exercise. Notwithstanding the foregoing, if an exercise of any portion of this Warrant is to be made in connection with a public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case the Exercise Date will be the date of such consummation and such exercise will not be deemed to be effective until immediately prior to such consummation on the Exercise Date.

3. Shares to be Fully Paid; Reservation of Shares. The Company represents, warrants, covenants and agrees that:

(a) this Warrant is, and any Warrant issued in substitution for or replacement of this Warrant will be, upon issuance, duly authorized and validly issued;

(b) all Warrant Shares issued upon the exercise of this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from preemptive or similar rights and free from all taxes, liens and charges with respect thereto (other than liens and charges arising solely from the actions and circumstances of the Holder or holder of such Warrant Shares);

(c) the Company will at all times during the Exercise Period have authorized, and reserved, free from preemptive or similar rights and solely for the purpose of effecting the exercise of this Warrant, out of its authorized but unissued Common Stock, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant, which shares have not been subscribed for or otherwise committed to be issued;

(d) the Company will take all such actions as may be necessary to ensure that all such Warrant Shares are issued without violation by the Company of any applicable Law or any requirements of any securities exchange upon which shares of Common Stock or other securities constituting Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which will be immediately delivered by the Company upon each such issuance); and

(e) the Company will use its reasonable best efforts to cause the Warrant Shares, immediately upon such exercise, to be listed on any securities exchange upon which shares of Common Stock or other securities constituting Warrant Shares are listed at the time of such exercise.

4. Adjustment. The number of Warrant Shares issuable upon exercise of this Warrant will be subject to adjustment from time to time as set forth in this Section 4 (in each case, after taking into consideration any prior adjustments pursuant to this Section 4).

4.1 Adjustment to Number of Warrant Shares Upon Subdivision or Combination of Common Stock.

(i) If the Company at any time reclassifies its outstanding shares of Common Stock such that the number of shares of capital stock of the Company outstanding immediately following such reclassification remains the same as the number of shares of Common Stock outstanding immediately prior to such reclassification, the Warrant Shares issuable upon exercise of this Warrant shall be similarly adjusted to reflect the same number of shares of such capital stock of the Company after giving effect to such recapitalization, with such Warrant Shares being of the same class that are outstanding immediately following such reclassification (and for all purposes of this Warrant such shares of such capital stock shall constitute the "Warrant Shares").

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(ii) If the Company at any time subdivides (by stock split, recapitalization or otherwise) its outstanding number of shares of Common Stock into a greater number of shares of Common Stock, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to any such subdivision shall be proportionately increased.

(iii) If the Company at any time combines or reclassifies (by reverse stock split, combination or otherwise) its outstanding number of shares of Common Stock into a smaller number of shares of Common Stock, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such combination shall be proportionately decreased.

(iv) Any adjustment under this Section 4.1 shall be conditioned on, and become effective immediately upon, the effectiveness of the subdivision or combination.

4.2 Business Combination. If at any time there shall be a capital reorganization of the shares of the Company's stock (other than a Liquidity Event, combination, reclassification, recapitalization, exchange or subdivision of shares otherwise provided for herein), or a merger or consolidation of the Company with or into another corporation whether or not the Company is the surviving corporation, or the sale of all or substantially all of the Company's properties and assets to any other Person (hereinafter referred to as a "Business Combination"), then, as a part of such Business Combination, if the Holder has not otherwise elected, on a timely basis, to exercise the Warrant under Section 2.3, the Company shall cause this Warrant to be exchanged and cancelled for the consideration that the Holder would have received in connection with the Business Combination as if the Holder had exercised this Warrant in full immediately prior to such Business Combination, without actually exercising such right, acquiring the applicable Warrant Shares and exchanging such shares for such consideration; provided, that the foregoing sentence of this Section 4.2 shall not apply to a Business Combination in which the consideration otherwise payable to the Holder is in a form other than cash and/or liquid securities. In the event of a Business Combination in which the Holder would be entitled to receive consideration other than cash or liquid securities, this Warrant shall not be cancelled and shall remain outstanding, exercisable for the consideration to which a holder of the applicable number of Warrant Shares would have been entitled to receive in such Business Combination. For avoidance of doubt, consideration payable in cash and/or liquid securities upon lapse of contingencies, such as an escrow arrangement or earn-out arrangement, is deemed to be consideration fully in cash and/or in liquid securities.

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4.3 Certain Events. If any event of the type contemplated by Section 4.1 or 4.2 but not expressly provided for by this Section 4 occurs, then the Board and the Holder will jointly determine in good faith an appropriate adjustment in the number of Warrant Shares issuable upon exercise of this Warrant so as to prevent the enlargement or diminution of the rights of the Holder in a manner consistent with this Section 4.

4.4 Dividends and Distributions. If the Company, at any time after the Exercise Trigger, makes or declares, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or any other distribution payable in securities of the Company, cash or other property, then, and in each such event, the Holder will receive at the same time as the holders of Common Stock, the kind and amount of securities of the Company, cash or other property which the Holder would have been entitled to receive had the Warrant been exercised in full into Warrant Shares on the date of such event (and the record date therefor), but only to the extent such right does not result in adverse taxation on the Holder pursuant to Internal Revenue Code Section 409A. For clarity, this right to receive dividends if, as and when other holders of Common Stock do is not contingent on the exercise of the Warrant.

4.5 Adjustment to Exercise Price. In connection with any adjustment described in this Section 4, the Exercise Price per Warrant Share shall be automatically adjusted so that the aggregate Exercise Price for all outstanding Warrant Shares as of immediately prior to such adjustment shall equal the aggregate Exercise Price for all outstanding Warrant Shares as of immediately following such conversion.

4.6 Certificates; Adjustment Certificates. As promptly as practicable following any adjustment of the number of Warrant Shares issuable upon the exercise of the Warrant (but in any event not later than five Business Days thereafter), the Company will furnish to the Holder a certificate reasonably satisfactory to the Holder executed by a duly authorized officer thereof (a) certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant and (b) setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

4.7 Notices. In the event (a) that the Company sets a record date (or a record date will otherwise occur) for any (i) dividend or other distribution, (ii) vote at a meeting (or action by written consent), (iii) right to subscribe for or purchase any shares of capital stock of any class or any other securities or (iv) right to receive any other security or right in or to a security, (b) of a Business Combination or (c) of the voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company will send or cause to be sent to the Holder at least 10 days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice in accordance with Section 14 specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action and a description of such dividend, distribution or other right or such action to be taken at such meeting or by written consent or (B) the effective date on which such Business Combination or dissolution, liquidation or winding up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company will close or a record will be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) will be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such Business Combination or dissolution, liquidation or winding up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

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4.8 Successive Adjustments. Any adjustments made pursuant to this Section 4 will be made successively whenever an event referred to in this Section 4 occurs.

5. Warrant Register; Transfer.

5.1 Warrant Register. The Company will keep and properly maintain at its principal executive office books and records for the registration of this Warrant and any transfers thereof. The Company (a) may deem and treat the Person in whose name this Warrant is registered on such books as the Holder thereof for all purposes and (b) will not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of this Warrant effected in accordance with the provisions hereof.

5.2 Warrant Transfer. Subject to compliance with applicable federal and state securities laws and the provisions of this Section 5.2, this Warrant and all rights hereunder are transferable in whole or in part by the Holder of this Warrant to any Affiliate of the Holder, upon written notice to the Company. In the event of a partial transfer, the Company will issue to the new Holders one or more appropriate new warrants. Transfers of the Warrants other than to any Affiliate of the Holder as described in this Section 5.2 will require the prior written consent of the Company.

5.3 Legends.

(i) if the Subscriber is a resident of the United States, then the Subscriber acknowledges and understands that the certificates representing the Warrants will be required, in addition to any other legends required, to be stamped with the following legend:

“THE SECURITIES PRESENTED BY THIS CERTIFICATE ARE NOT REGISTERED PURSUANT TO THE U.S. SECURITIES ACT OF 1933 OR ANY STATE SECURITIES ACTS. SUCH SECURITIES SHALL NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED OR DISPOSED OF, ABSENT SUCH REGISTRATION, UNLESS, IN THE OPINION OF THE CORPORATION’S COUNSEL, SUCH REGISTRATION IS NOT REQUIRED. THE COMPANY HAS NOT BEEN, AND DOES NOT INTEND TO BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940.”

Furthermore, if the Subscriber is a resident of Florida, then the Investor acknowledges and understands that the certificates representing the Common Stock and the Warrants will be required, in addition to any other legends required, to be stamped with the following legend:

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“THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION THEREFROM. ANY SALE MADE PURSUANT TO SUCH EXEMPTION IS VOIDABLE BY A FLORIDA PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT IN PAYMENT FOR SUCH SECURITIES. HOWEVER, THIS RIGHT IS NOT AVAILABLE TO ANY PURCHASER WHO IS A BANK, TRUST COMPANY, SAVINGS INSTITUTION, INSURANCE COMPANY, SECURITIES DEALER, INVESTMENT COMPANY (AS DEFINED IN THE INVESTMENT COMPANY ACT), PENSION OR PROFIT-SHARING TRUST, QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN 17 C.F.R. 230.1 44A(A), UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY FOREIGN BUYER THAT SATISFIES THE MINIMUM FINANCIAL REQUIREMENTS SET FORTH IN SUCH RULE.”

(ii) If the Holder is a resident of a Province or Territory of Canada, then the Holder acknowledges and understands that the certificate representing the Warrants will be required, in addition to any other legends required, to be stamped with the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [●], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.”

6. No Impairment. The Company will not, by amendment of the Certificate of Incorporation or its other governing documents or through a Business Combination or any other action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times carry out all such terms and take all such action as may be reasonably necessary or appropriate in order to protect the rights of the Holder against dilution or other impairment.

7. Holder Not Deemed a Stockholder; Limitations on Liability. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares to which the Holder is then entitled to receive upon the exercise of this Warrant in accordance with the terms hereof, the Holder (in its capacity as such) will not be entitled to vote or be deemed the holder of shares of capital stock of the Company for any purpose, and nothing in this Warrant will be construed to confer upon the Holder (in its capacity as such) any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any Business Combination or issuance or reclassification of stock), receive notice of meetings, receive dividends or subscription rights, or otherwise. Nothing in this Warrant will be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company, creditors of the Company or any other third Persons.

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8. Effect of Violation. Any action or attempted action by the Company in violation of this Warrant will be null and void ab initio and of no force or effect whatsoever.

9. Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of a customary indemnity agreement or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of the same tenor and date.

10. Entire Agreement; Parties in Interest. This Warrant constitutes the entire agreement of, and supersedes all other prior agreements and understandings (both written and oral) between, the parties hereto with respect to the subject matter hereof. This Warrant will be binding upon and inure solely to the benefit of the Company and the Holder and their respective successors and permitted assigns, and nothing in this Warrant, express or implied, is intended to or will confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Warrant.

11. Governing Law. This Warrant, and all Proceedings (whether based in contract, tort or statute) that may be based upon, arise out of or relate to this Warrant or the negotiation, execution or performance of this Warrant, will be governed by and construed and enforced in accordance with the Laws of the State of Delaware without regard to the Laws of the State of Delaware or any other jurisdiction that would call for the application of the substantive Laws of any jurisdiction other than the State of Delaware.

12. Jurisdiction. Each Party hereby irrevocably and unconditionally, for itself and its property, submits to the exclusive jurisdiction of the Delaware Court of Chancery (and if jurisdiction in the Delaware Court of Chancery is unavailable, in the Complex Commercial Litigation Division of the Superior Court in the City of Wilmington, New Castle County, Delaware, and if jurisdiction in the Complex Commercial Litigation Division of the Superior Court in the City of Wilmington, New Castle County, Delaware is unavailable, in the Federal courts of the U.S. sitting in the State of Delaware), and any appellate court from any thereof (such courts in such jurisdictional priority, the "Forum"), in any Proceeding (whether based in contract, tort or statute) based upon, arising out of or relating to this Warrant or the negotiation, execution or performance of this Warrant, or any transaction contemplated hereby, and agrees that all claims in respect of such Proceeding may be heard and determined in the Forum, and each of the Company and the Holder hereby irrevocably and unconditionally (a) agrees not to commence any such Proceeding except in the Forum, (b) agrees that any claim in respect of any such Proceeding may be heard and determined in the Forum, (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the Forum, and (d) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such Proceeding in the Forum. Each of the Company and Holder hereby agrees that service of summons, complaint or other process in connection with any Proceedings contemplated hereby may be made by registered or certified mail addressed to such Person at the address specified pursuant to Section 14, and that service so made will be effective as if personally made in the State of Delaware.

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13. Waiver of Jury Trial. EACH OF THE COMPANY AND THE HOLDER IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG SUCH PERSONS ARISING OUT OF OR RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Notice.

(a) Any notice or other communication required or permitted to be delivered to any party under this Warrant will be in writing and delivered by (i) email (return receipt requested) or (ii) overnight delivery via a national courier service to the following physical address:

If to the Company, to:

[•]

with a copy (which will not constitute notice) to:

[•]

If to the Holder, to the address set forth under the Holder's name on the signature page hereto.

(b) Notice or other communication pursuant to Section 14(a) will be deemed given or received when delivered, except that any notice or communication received by email transmission on a non-Business Day or on any Business Day after 5:00 p.m. addressee's local time or by overnight delivery on a non-Business Day will be deemed to have been given and received at 9:00 a.m. addressee's local time on the next Business Day. Any party may specify a different address, by written notice to the other party. The change of address will be effective upon the other party's receipt of the notice of the change of address.

15. Amendments; Waivers. Any provision of this Warrant may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company and the Holder, or in the case of a waiver, by the party against whom the waiver is to be effective. No knowledge, investigation or inquiry, or failure or delay by the Company or the Holder in exercising any right hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

16. Counterparts. This Warrant may be executed in two or more counterparts, each of which constitutes an original, and all of which taken together constitute one instrument.

17. Severability. If any provision of this Warrant, or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void, invalid or unenforceable, the remainder of this Warrant will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties hereto further agree to replace such illegal, void, invalid or unenforceable provision of this Warrant with a legal, valid and enforceable provision that achieves, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

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18. Certain Defined Terms. The following words and phrases have the meanings specified in this Section 18:

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. As used in

this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

“Board” means the board of directors of the Company.

“Business Day” means any day ending at 11:59 p.m. (New York City time) other than a Saturday, Sunday or a day on which the banks in the City of New York are authorized by Law to be closed.

“Certificate of Incorporation” means the certificate of incorporation of the Company, as amended.

“Exchange Act” means the Securities Exchange Act of 1934.

“Exercise Trigger” means the date first written above.

“Expiration Date” means the date that is the earlier of (a) the date that is 60 months after the Exercise Trigger and (b) the first day after the Exercise Date on which all Warrant Shares have been purchased hereunder, except that, in the case of clause (a), if such date is not a Business Day, on the next Business Day.

“Law” means any applicable U.S. or foreign, federal, state, provincial, municipal or local law (including common law), statute, ordinance, rule, regulation, code, policy, directive, standard, license, treaty, judgment, order, injunction, decree or agency requirement of or undertaking to or agreement with any governmental entity; provided, that to the extent that any federal or state law, including but not limited to the Federal Controlled Substances Act, imposes prohibitions, limitations, or regulations with respect to the cultivation, processing, transport, sale, purchase, distribution, marketing, or other trafficking of cannabis, products containing cannabis or cannabis derivatives or cannabis paraphernalia which constitutes any business activity of the Company in any state that are inconsistent with the laws of such state, then, solely with respect to such business activity, the term “Law” shall refer only to such provisions of the laws of such state, and shall expressly exclude such conflicting provisions of federal or state law.

“Liquidity Event” means an amalgamation, share exchange, merger, plan or arrangement, or other form of business combination pursuant to which the Company’s Common Stock (or the common shares of the resulting issuer) becomes listed on the Canadian Securities Exchange or any other securities exchange.

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“Person” means an individual, corporation, partnership, limited liability company, association, trust or any other entity, group (as such term is used in Section 13 of the Exchange Act) or organization, including a governmental entity.

“Proceeding” means any claim, action, arbitration, mediation, audit, hearing, investigation, proceeding, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental entity or arbitrator or mediator.

“U.S.” means the United States of America.

“VWAP” means the daily volume-weighted average price (rounded to the nearest one hundredth of one cent) of the Common Stock on the Canadian Securities Exchange (or such other securities exchange as the Common Stock is then listed) as calculated by Bloomberg Financial LP (or another equivalent provider determined in good faith by the Company) under the function “VWAP” or any successor page or function.

19. Construction. The parties hereto intend that each representation, warranty, covenant and agreement contained in this Warrant will have independent significance. The headings are for convenience only and will not be given effect in interpreting this Warrant. References to sections or exhibits are to the sections and exhibits contained in or attached to this Warrant, unless otherwise specified. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Warrant, refer to this Warrant as a whole and not to any particular provision of this Warrant. The words “include,” “includes” and “including” in this Warrant mean “include/includes/including without limitation.” All references to \$, currency, monetary values and dollars set forth herein means U.S. dollars. The use of the masculine, feminine or neuter gender or the singular or plural form of words will not limit any provisions of this Warrant. References to a Person also include its permitted assigns and successors. Any reference to a statute refers to the statute, any amendments or successor legislation and all rules and regulations promulgated under or implementing the statute, as in effect at the relevant time. Whenever this Warrant refers to a number of days, such number will refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Any reference herein to any Law or contract will be construed as referring to such Law or contract as amended or modified or, in the case of a Law, codified or reenacted, in each case, in whole or in part, and as in effect from time to time. The parties hereto acknowledge and agree that (a) each party and its counsel has reviewed, or has had the opportunity to review, the terms and provisions of this Warrant, (b) any rule of construction to the effect that any ambiguities are resolved against the drafting party will not be used to interpret this Warrant and (c) the provisions of this Warrant will be construed fairly as to all parties and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Warrant.

[Remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have caused this Warrant to be duly executed and delivered as of the date first written above.

COMPANY:

Jushi Inc

By: _____

Name: _____

Title: _____

[SIGNATURE PAGE TO COMMON STOCK WARRANT]

HOLDER:

By: _____
Name:
Title:
Email:
Address:

[SIGNATURE PAGE TO COMMON STOCK WARRANT]

EXHIBIT A

Notice of Exercise Form

BR-02

Dated:

The undersigned, pursuant to the provisions set forth in the attached Warrant (the "Warrant"), hereby irrevocably elects to purchase _____ Warrant Shares (as such term is defined in the Warrant) and [herewith surrenders Warrant Shares with a value of \$ ____, representing the full purchase price for such shares at the exercise price per share provided for in such Warrant] / [the undersigned herewith tenders cash payment for such shares in the amount \$ ____].

Please issue a certificate or certificates representing the shares issuable in respect hereof under the terms of the attached Warrant, as follows:

(Name of Holder/Transferee)

and deliver such certificate or certificates to the following address:

(Address of Holder/Transferee)

The undersigned represents that the aforesaid shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares.

[Holder]

By: _____
Name:
Title:

THIS WARRANT AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MAYNOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS DESCRIBED IN THIS WARRANT. THE COMPANY HAS NOT BEEN AND, DOES NOT INTEND TO BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

JUSHI INC

WARRANT TO PURCHASE COMMON STOCK

Warrant No.

[●]

This warrant (and any other warrants delivered in substitution or exchange herefor as provided herein, this “Warrant”) is issued, for value received, to [●] (the “Holder”) by Jushi Inc, a Delaware corporation (the “Company”). Except as otherwise defined herein, capitalized terms in this Warrant have the meanings set forth in Section 18.

1. Purchase of Shares. Subject to the terms and conditions of this Warrant, the Holder of this Warrant is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company may notify the Holder hereof in writing), to purchase from the Company [●] fully paid and nonassessable shares of the Company's Common Stock, par value US\$0.00001 per share (the “Common Stock”), free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities Laws. The number of such shares are subject to adjustment as provided in Section 4. For purposes of this Warrant, the shares purchasable pursuant to this Warrant shall be referred to as the “Warrant Shares”.

2. Exercise.

2.1 Exercise Price. The purchase price for each Warrant Share subject to this Warrant (the “Exercise Price”) shall be US\$[●].

2.2 Exercise Date. Subject to the terms and conditions hereof, the Holder may exercise this Warrant for all or any part of the Warrant Shares at any time or from time to time from the Exercise Trigger until the Expiration Date (the “Exercise Period”).

2.3 Method of Exercise. While this Warrant remains outstanding and exercisable in accordance with the terms hereof, the Holder may exercise the purchase rights evidenced hereby, in whole or in part, but not for any fractional shares, by:

(a) surrendering to the Secretary of the Company at its principal offices (i) a notice of exercise, in the form attached hereto as Exhibit A and made a part hereof (a “Notice of Exercise”), (ii) this Warrant and (iii) if the Holder is not yet a party to any stockholders agreement relating to certain rights of the Company and its stockholders that is approved by the Board in good faith (“Stockholders Agreement”), a duly executed joinder to such Stockholders Agreement; and

(b) the payment of the Exercise Price and his or her share of all income and employment withholding truces (if any), either (at the Holder's election and as identified in the Notice of Exercise) (A) by cash, check or wire transfer of immediately available funds in an amount equal to the aggregate Exercise Price for the number of Warrant Shares being purchased, (B) by surrender of Warrants (“Net Issuance”) as determined below or (C) by any combination of the foregoing. If the Holder elects the Net Issuance method, the Company shall issue Warrant Shares in accordance with the following formula:

$$\frac{X - Y(A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares requested to be exercised under this Warrant.

A = the current fair market value of one Warrant Share.

B = the Exercise Price plus the Holder's share of his or her income and employment withholding taxes (if any) due on the exercise of the Warrants.

(c) For purposes of the above calculation, the current fair market value of Warrant Shares shall mean with respect to each Warrant Share:

(i) except as set forth in Section 2.3(c)(iii) below, if the Common Stock is listed on the Canadian Securities Exchange or any other securities exchange (the “Exchange”), the volume weighted average price (rounded to the nearest one-hundredth of one cent) of the Common Stock on the Exchange for the 30 trading days immediately preceding the date on which the Holder delivers the Notice of Exercise, as calculated by Bloomberg Financial LP (or another equivalent provider determined in good faith by the Company) under the function “VWAP” or any successor page or function;

(i i) except as set forth in Section 2.3(c)(iii) below, if the Common Stock is not listed on an Exchange, the fair market value as determined by the Board in good faith; or

(iii) in the event of an exercise of the Warrant pursuant to a Business Combination (defined below), the value received by the holders of the Company's Common Stock for one share of Common Stock pursuant to such Business Combination.

2.4 Exercise Date. Each exercise of this Warrant will be deemed to have been effected immediately prior to the close of business on the day on which both (a) the Notice of Exercise pursuant to Section 2.3 is deemed to be delivered pursuant to Section 14 and (b) all costs of the exercise (including any applicable withholding taxes) owed by the Holder have been satisfied (each such date, an “Exercise Date”).

2.5 Expenses. The Company will pay all expenses, taxes (other than transfer taxes and the Holder's own obligation to pay his or her income and employment taxes, if any) and other charges payable in connection with the preparation, issuance and delivery of this Warrant and the Warrant Shares.

2.6 Certificates and Revised Warrant Documents. As soon as practicable after an Exercise Date (and in any event within five Business Days thereafter), the Company, at its expense, will cause to be issued in the name of, and delivered to, the Holder, or otherwise as the Holder may direct (subject to Section 5):

(a) a certificate or certificates for the number of shares of Common Stock, or evidence of book-entry issuance of such shares in uncertificated form, to which the Holder is entitled upon such exercise (it being agreed that each certificate or evidence so delivered will be in such denominations of shares of Common Stock as may be requested by the Holder but in no event in fractional shares); and

(b) if such exercise is in part only, an amended Warrant agreement that clarifies that the Holder may still purchase of a number of Warrant Shares equal to the difference of the number of Warrant Shares subject to this Warrant less the number of Warrant Shares that are issued to the Holder pursuant to such partial exercise.

2.7 Fractional Shares. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant. As to any fraction of a Warrant Share that the Holder would otherwise be entitled to purchase upon such exercise, such fractional share will be rounded down to the nearest whole number.

2.8 Conditional Exercise. Notwithstanding the foregoing, if an exercise of any portion of this Warrant is to be made in connection with a public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case the Exercise Date will be the date of such consummation and such exercise will not be deemed to be effective until immediately prior to such consummation on the Exercise Date.

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3. Shares to be Fully Paid; Reservation of Shares. The Company represents, warrants, covenants and agrees that:

(a) this Warrant is, and any Warrant issued in substitution for or replacement of this Warrant will be, upon issuance, duly authorized and validly issued;

(b) all Warrant Shares issued upon the exercise of this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from preemptive or similar rights and free from all taxes, liens and charges with respect thereto (other than liens and charges arising solely from the actions and circumstances of the Holder or holder of such Warrant Shares);

(c) the Company will at all times during the Exercise Period have authorized, and reserved, free from preemptive or similar rights and solely for the purpose of effecting the exercise of this Warrant, out of its authorized but unissued Common Stock, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant, which shares have not been subscribed for or otherwise committed to be issued;

(d) the Company will take all such actions as may be necessary to ensure that all such Warrant Shares are issued without violation by the Company of any applicable Law or any requirements of any securities exchange upon which shares of Common Stock or other securities constituting Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which will be immediately delivered by the Company upon each such issuance);

(e) the Company will use its reasonable best efforts to cause the Warrant Shares, immediately upon such exercise, to be listed on any securities exchange upon which shares of Common Stock or other securities constituting Warrant Shares are listed at the time of such exercise; and

(f) the Company will use commercially reasonable efforts to consummate a Liquidity Event prior to [●].

4. Adjustment. The number of Warrant Shares issuable upon exercise of this Warrant will be subject to adjustment from time to time as set forth in this Section 4 (in each case, after taking into consideration any prior adjustments pursuant to this Section 4).

4.1 Adjustment to Number of Warrant Shares Upon Subdivision or Combination of Common Stock.

(i) If the Company at any time reclassifies its outstanding shares of Common Stock such that the number of shares of capital stock of the Company outstanding immediately following such reclassification remains the same as the number of shares of Common Stock outstanding immediately prior to such reclassification, the Warrant Shares issuable upon exercise of this Warrant shall be similarly adjusted to reflect the same number of shares of such capital stock of the Company after giving effect to such recapitalization, with such Warrant Shares being of the same class that are outstanding immediately following such reclassification (and for all purposes of this Warrant such shares of such capital stock shall constitute the "Warrant Shares").

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(ii) If the Company at any time subdivides (by stock split, recapitalization or otherwise) its outstanding number of shares of Common Stock into a greater number of shares of Common Stock, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to any such subdivision shall be proportionately increased.

(iii) If the Company at any time combines or reclassifies (by reverse stock split, combination or otherwise) its outstanding number of shares of Common Stock into a smaller number of shares of Common Stock, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such combination shall be proportionately decreased.

(iv) Any adjustment under this Section 4.1 shall be conditioned on, and become effective immediately upon, the effectiveness of the subdivision or combination.

4.2 Business Combination. If at any time there shall be a capital reorganization of the shares of the Company's stock (other than a Liquidity Event, combination, reclassification, recapitalization, exchange or subdivision of shares otherwise provided for herein), or a merger or consolidation of the Company with or into another corporation whether or not the Company is the surviving corporation, or the sale of all or substantially all of the Company's properties and assets to any other Person (hereinafter referred to as a "Business Combination"), then, as a part of such Business Combination, if the Holder has not otherwise elected, on a timely basis, to exercise the Warrant under Section 2.3, the Company shall cause this Warrant to be exchanged and cancelled for the consideration that the Holder would have received in connection with the Business Combination as if the Holder had exercised this Warrant in full pursuant to the Net Issuance provisions of this Warrant immediately prior to such Business Combination, without actually exercising such right, acquiring the applicable Warrant Shares and exchanging such shares for such consideration; provided, that the foregoing sentence of this Section 4.2 shall not apply to a Business Combination in which the consideration otherwise payable to the Holder is in a form other than cash and/or liquid

securities. In the event of a Business Combination in which the Holder would be entitled to receive consideration other than cash or liquid securities, this Warrant shall not be cancelled and shall remain outstanding, exercisable for the consideration to which a holder of the applicable number of Warrant Shares would have been entitled to receive in such Business Combination. For avoidance of doubt, consideration payable in cash and/or liquid securities upon lapse of contingencies, such as an escrow arrangement or earn-out arrangement, is deemed to be consideration fully in cash and/or in liquid securities.

4.3 Certain Events. If any event of the type contemplated by Section 4.1 or 4.2 but not expressly provided for by this Section 4 occurs, then the Board and the Holder will jointly determine in good faith an appropriate adjustment in the number of Warrant Shares issuable upon exercise of this Warrant so as to prevent the enlargement or diminution of the rights of the Holder in a manner consistent with this Section 4.

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4.4 Dividends and Distributions. If the Company, at any time after the Exercise Trigger, makes or declares, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or any other distribution payable in securities of the Company, cash or other property, then, and in each such event, the Holder will receive at the same time as the holders of Common Stock, the kind and amount of securities of the Company, cash or other property which the Holder would have been entitled to receive had the Warrant been exercised in full into Warrant Shares on the date of such event (and the record date therefor), but only to the extent such right does not result in adverse taxation on the Holder pursuant to Internal Revenue Code Section 409A. For clarity, this right to receive dividends if, as an when other holders of Common Stock do is not contingent on the exercise of the Warrant.

4.5 Adjustment to Exercise Price. In connection with any adjustment described in this Section 4, the Exercise Price per Warrant Share shall be automatically adjusted so that the aggregate Exercise Price for all outstanding Warrant Shares as of immediately prior to such adjustment shall equal the aggregate Exercise Price for all outstanding Warrant Shares as of immediately following such conversion.

4.6 Certificates; Adjustment Certificates. As promptly as practicable following any adjustment of the number of Warrant Shares issuable upon the exercise of the Warrant (but in any event not later than five Business Days thereafter), the Company will furnish to the Holder a certificate reasonably satisfactory to the Holder executed by a duly authorized officer thereof (a) certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant and (b) setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

4.7 Notices. In the event (a) that the Company sets a record date (or a record date will otherwise occur) for any (i) dividend or other distribution, (ii) vote at a meeting (or action by written consent), (iii) right to subscribe for or purchase any shares of capital stock of any class or any other securities or (iv) right to receive any other security or right in or to a security, (b) of a Business Combination or (c) of the voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company will send or cause to be sent to the Holder at least 10 days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice in accordance with Section 14 specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action and a description of such dividend, distribution or other right or such action to be taken at such meeting or by written consent or (B) the effective date on which such Business Combination or dissolution, liquidation or winding up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company will close or a record will be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) will be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such Business Combination or dissolution, liquidation or winding up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

4.8 Successive Adjustments. Any adjustments made pursuant to this Section 4 will be made successively whenever an event referred to in this Section 4 occurs.

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5. Warrant Register; Transfer.

5.1 Warrant Register. The Company will keep and properly maintain at its principal executive office books and records for the registration of this Warrant and any transfers thereof. The Company (a) may deem and treat the Person in whose name this Warrant is registered on such books as the Holder thereof for all purposes and (b) will not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of this Warrant effected in accordance with the provisions hereof.

5.2 Warrant Transfer. Subject to compliance with applicable federal and state securities laws and the provisions of this Section 5.2, this Warrant and all rights hereunder are transferable in whole or in part by the Holder of this Warrant to any Affiliate of the Holder, upon written notice to the Company. In the event of a partial transfer, the Company will issue to the new Holders one or more appropriate new warrants. Transfers of the Warrants other than to any Affiliate of the Holder as described in this Section 5.2 will require the prior written consent of the Company.

5.3 Legends.

(i) If the Subscriber is a resident of the United States, then the Subscriber acknowledges and understands that the certificates representing the Warrants will be required, in addition to any other legends required, to be stamped with the following legend:

“THE SECURITIES PRESENTED BY THIS CERTIFICATE ARE NOT REGISTERED PURSUANT TO THE U.S. SECURITIES ACT OF 1933 OR ANY STATE SECURITIES ACTS. SUCH SECURITIES SHALL NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED OR DISPOSED OF, ABSENT SUCH REGISTRATION, UNLESS, IN THE OPINION OF THE CORPORATION'S COUNSEL, SUCH REGISTRATION IS NOT REQUIRED. THE COMPANY HAS NOT BEEN, AND DOES NOT INTEND TO BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940.”

Furthermore, if the Subscriber is a resident of Florida, then the Investor acknowledges and understands that the certificates representing the Common Stock and the Warrants will be required, in addition to any other legends required, to be stamped with the following legend:

“THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION THEREFROM. ANY SALE MADE PURSUANT TO SUCH EXEMPTION IS VOIDABLE BY A FLORIDA PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT IN PAYMENT FOR SUCH SECURITIES. HOWEVER, THIS RIGHT IS NOT AVAILABLE TO ANY PURCHASER WHO IS A BANK, TRUST COMPANY, SAVINGS INSTITUTION, INSURANCE COMPANY, SECURITIES DEALER, INVESTMENT COMPANY (AS DEFINED IN THE INVESTMENT COMPANY ACT), PENSION OR PROFIT-SHARING TRUST, QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN 17 C.F.R. 230.144A(A), UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY FOREIGN BUYER THAT SATISFIES THE MINIMUM FINANCIAL REQUIREMENTS SET FORTH IN SUCH RULE.”

(i i) If the Holder is a resident of a Province or Territory of Canada, then the Holder acknowledges and understands that the certificate representing the Warrants will be required, in addition to any other legends required, to be stamped with the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [●], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.”

6. No Impairment. The Company will not, by amendment of the Certificate of Incorporation or its other governing documents or through a Business Combination or any other action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times carry out all such terms and take all such action as may be reasonably necessary or appropriate in order to protect the rights of the Holder against dilution or other impairment.

7. Holder Not Deemed a Stockholder; Limitations on Liability. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares to which the Holder is then entitled to receive upon the exercise of this Warrant in accordance with the terms hereof, the Holder (in its capacity as such) will not be entitled to vote or be deemed the holder of shares of capital stock of the Company for any purpose, and nothing in this Warrant will be construed to confer upon the Holder (in its capacity as such) any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any Business Combination or issuance or reclassification of stock), receive notice of meetings, receive dividends or subscription rights, or otherwise. Nothing in this Warrant will be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company, creditors of the Company or any other third Persons.

8. Effect of Violation. Any action or attempted action by the Company in violation of this Warrant will be null and void ab initio and of no force or effect whatsoever.

9. Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of a customary indemnity agreement or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of the same tenor and date.

10. Entire Agreement; Parties in Interest. This Warrant constitutes the entire agreement of, and supersedes all other prior agreements and understandings (both written and oral) between, the parties hereto with respect to the subject matter hereof. This Warrant will be binding upon and inure solely to the benefit of the Company and the Holder and their respective successors and permitted assigns, and nothing in this Warrant, express or implied, is intended to or will confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Warrant.

11. Governing Law. This Warrant, and all Proceedings (whether based in contract, tort or statute) that may be based upon, arise out of or relate to this Warrant or the negotiation, execution or performance of this Warrant, will be governed by and construed and enforced in accordance with the Laws of the State of Delaware without regard to the Laws of the State of Delaware or any other jurisdiction that would call for the application of the substantive Laws of any jurisdiction other than the State of Delaware.

12. Jurisdiction. Each Party hereby irrevocably and unconditionally, for itself and its property, submits to the exclusive jurisdiction of the Delaware Court of Chancery (and if jurisdiction in the Delaware Court of Chancery is unavailable, in the Complex Commercial Litigation Division of the Superior Court in the City of Wilmington, New Castle County, Delaware, and if jurisdiction in the Complex Commercial Litigation Division of the Superior Court in the City of Wilmington, New Castle County, Delaware is unavailable, in the Federal courts of the U.S. sitting in the State of Delaware), and any appellate court from any thereof (such courts in such jurisdictional priority, the “Forum”), in any Proceeding (whether based in contract, tort or statute) based upon, arising out of or relating to this Warrant or the negotiation, execution or performance of this Warrant, or any transaction contemplated hereby, and agrees that all claims in respect of such Proceeding may be heard and determined in the Forum, and each of the Company and the Holder hereby irrevocably and unconditionally (a) agrees not to commence any such Proceeding except in the Forum, (b) agrees that any claim in respect of any such Proceeding may be heard and determined in the Forum, (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the Forum, and (d) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such Proceeding in the Forum. Each of the Company and Holder hereby agrees that service of summons, complaint or other process in connection with any Proceedings contemplated hereby may be made by registered or certified mail addressed to such Person at the address specified pursuant to Section 14, and that service so made will be effective as if personally made in the State of Delaware.

13. Waiver of Jury Trial. EACH OF THE COMPANY AND THE HOLDER IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG SUCH PERSONS ARISING OUT OF OR RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Notice.

(a) Any notice or other communication required or permitted to be delivered to any party under this Warrant will be in writing and delivered by (i) email (return receipt requested) or (ii) overnight delivery via a national courier service to the following physical address:

If to the Company, to:

[●]

with a copy (which will not constitute notice) to:

[●]

If to the Holder, to the address set forth under the Holder's name on the signature page hereto.

(b) Notice or other communication pursuant to Section 14(a) will be deemed given or received when delivered, except that any notice or communication received by email transmission on a non-Business Day or on any Business Day after 5:00 p.m. addressee's local time or by overnight delivery on a non-Business Day will be deemed to have been given and received at 9:00 a.m. addressee's local time on the next Business Day. Any party may specify a different address, by written notice to the other party. The change of address will be effective upon the other party's receipt of the notice of the change of address.

15. Amendments: Waivers. Any provision of this Warrant may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company and the Holder, or in the case of a waiver, by the party against whom the waiver is to be effective. No knowledge, investigation or inquiry, or failure or delay by the Company or the Holder in exercising any right hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

16. Counterparts. This Warrant may be executed in two or more counterparts, each of which constitutes an original, and all of which taken together constitute one instrument.

17. Severability. If any provision of this Warrant, or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void, invalid or unenforceable, the remainder of this Warrant will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties hereto further agree to replace such illegal, void, invalid or unenforceable provision of this Warrant with a legal, valid and enforceable provision that achieves, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

18. Certain Defined Terms. The following words and phrases have the meanings specified in this Section 18:

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

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"Board" means the board of directors of the Company.

"Business Day" means any day ending at 11:59 p.m. (New York City time) other than a Saturday, Sunday or a day on which the banks in the City of New York are authorized by Law to be closed.

"Certificate of Incorporation" means the certificate of incorporation of the Company, as amended.

"Exchange Act" means the Securities Exchange Act of 1934.

"Exercise Trigger" means the closing date of the earlier to occur of (a) a Liquidity Event or (b) a Business Combination in which consideration payable is in a form other than cash and/or liquid securities.

"Expiration Date" means the date that is the earlier of (a) the tenth anniversary of the Exercise Trigger and (b) the first day after the Exercise Date on which all Warrant Shares have been purchased hereunder, except that, in the case of clause (a), if such date is not a Business Day, on the next Business Day.

"Law" means any applicable U.S. or foreign, federal, state, provincial, municipal or local law (including common law), statute, ordinance, rule, regulation, code, policy, directive, standard, license, treaty, judgment, order, injunction, decree or agency requirement of or undertaking to or agreement with any governmental entity; provided, that to the extent that any federal or state law, including but not limited to the Federal Controlled Substances Act, imposes prohibitions, limitations, or regulations with respect to the cultivation, processing, transport, sale, purchase, distribution, marketing, or other trafficking of cannabis, products containing cannabis or cannabis derivatives or cannabis paraphernalia which constitutes any business activity of the Company in any state that are inconsistent with the laws of such state, then, solely with respect to such business activity, the term "Law" shall refer only to such provisions of the laws of such state, and shall expressly exclude such conflicting provisions of federal or state law.

"Liquidity Event" means an amalgamation, share exchange, merger, plan or arrangement, or other form of business combination pursuant to which the Company's Common Stock (or the common shares of the resulting issuer) becomes listed on the Canadian Securities Exchange or any other securities exchange.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or any other entity, group (as such term is used in Section 13 of the Exchange Act) or organization, including a governmental entity.

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"Proceeding" means any claim, action, arbitration, mediation, audit, hearing, investigation, proceeding, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental entity or arbitrator or mediator.

"U.S." means the United States of America.

19. Construction. The parties hereto intend that each representation, warranty, covenant and agreement contained in this Warrant will have independent significance. The headings are for convenience only and will not be given effect in interpreting this Warrant. References to sections or exhibits are to the sections and exhibits contained in or attached to this Warrant, unless otherwise specified. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Warrant, refer to this Warrant as a whole and not to any particular provision of this Warrant. The words "include," "includes" and "including" in this Warrant mean "include/includes/including without limitation." All references to US\$, currency, monetary values and dollars set forth herein means U.S. dollars. The use of the masculine, feminine or neuter gender or the singular or plural form of words will not limit any provisions of this Warrant. References to a Person also include its permitted assigns and successors. Any reference to a statute refers to the statute, any amendments or successor legislation and all rules and regulations promulgated under or implementing the statute, as in effect at the relevant time. Whenever this Warrant refers to a number of days, such number will refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Any reference herein to any Law or contract will be construed as referring to such Law or contract as amended or modified or, in the case of a Law, codified or reenacted, in each case, in whole or in part, and as in effect from time to time. The parties hereto acknowledge and agree that (a) each party and its counsel has reviewed, or has had the opportunity to review, the terms and provisions of this Warrant, (b) any rule of construction to the effect that any ambiguities are resolved against the drafting party will not be used to interpret

this Warrant and (c) the provisions of this Warrant will be construed fairly as to all parties and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Warrant.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant to be duly executed and delivered as of the date first written above.

COMPANY:

Jushi Inc

By: _____
Name:
Title:

[Signature Page to Common Stock Warrant]

HOLDER:

[•]

By: _____
Name:
Title:
Address:

[Signature Page to Common Stock Warrant]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) DATE OF DISTRIBUTION OF THE SECURITIES AND (II) THE DATE THE CORPORATION BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THIS WARRANT AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN REGISTERED PURSUANT TO THE US SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY US STATE SECURITIES ACTS. SUCH SECURITIES ONLY MAY BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED OR DISPOSED OF IN A TRANSACTION REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND TO PERSONS THAT ARE, IN EACH CASE, ALSO "QUALIFIED PURCHASERS" AS DEFINED IN THE US INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT"). THIS WARRANT MAY NOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS DESCRIBED IN THIS WARRANT. THE COMPANY HAS NOT BEEN, AND DOES NOT INTEND TO BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT.

THIS WARRANT CERTIFICATE, AND THE WARRANTS EVIDENCED HEREBY, SHALL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE THE EXPIRY TIME (AS HEREINAFTER DEFINED).

Number of Warrants: [●]

Issue Date: [●] (the "Issue Date")

Certificate No: [●]

Expiry Date: January [●] (the "Expiry Date")

BROKER WARRANT CERTIFICATE

For value received, [●], (the "Holder") is the registered holder of that number of broker warrants (the "Warrants") of Jushi Holdings Inc. (the "Corporation") as set forth above.

1. **Warrants.** Each Warrant shall entitle the Holder to acquire, at the exercise price of CAD\$[●] (the "Exercise Price") per exercised Warrant, one (1) class B subordinate voting share in the capital of the Corporation (a "Share") as constituted on the Issue Date until 5:00 pm (Eastern Standard Time) on the Expiry Date (the "Expiry Time"). The Exercise Price and the number of Shares which the Holder is entitled to acquire upon exercise of the Warrants are subject to adjustment as hereinafter provided.

2. **Non-Transferable Warrants.** The Warrants evidenced hereby (or any portion thereof) may not be assigned or transferred by the Holder.

3. **Warrant Exercise Procedure.** The Warrants represented by this Warrant certificate may be exercised in whole or in part at any time prior to the Expiry Date by surrendering the original of this Warrant certificate at the offices of the Corporation set out in subsection 17(g) hereof together with a subscription form in the form attached as Schedule "A" hereto duly completed and executed, such additional documents as may be contemplated thereby, and a certified cheque, bank draft or money order in lawful money of the United States of America payable to or to the order of the Corporation.

4. **Register of Warrantholders.** The Corporation shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all holders of the Warrants and the number of Warrants held by each of them. The Corporation may treat the registered holder of any certificate representing Warrants as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

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5. **Partial Exercise.** The Holder may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this Warrant certificate prior to the Expiry Date, the Corporation shall issue a new Warrant certificate to the Holder in substantially the same form as this Warrant certificate with appropriate changes to reflect the unexercised balance of the Warrants.

6. **Delivery of Shares** As soon as commercially possible and no later than 10 business days of receipt by the Corporation of this Warrant certificate in accordance with, and the documents and payment noted in, Section 3, the Corporation will deliver the certificate(s) representing the Shares subscribed for and purchased by the Holder hereunder, and (ii) a replacement Warrant certificate, if any.

7. **No Rights of Shareholders.** Nothing contained in this Warrant certificate shall be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Corporation or any other right or interest except as herein expressly provided.

8. **Adjustment of Subscription and Purchase Rights.**

- (a) The rights evidenced by this Warrant certificate are to purchase Shares. If there shall, prior to the exercise of any of the rights evidenced hereby, be any (a) reorganization of the authorized capital of the Corporation by way of consolidation, merger, sub-division, amalgamation, share exchange, arrangement, reclassification or otherwise; (b) transfer, sale, lease or exchange of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another person; (c) the payment of any stock dividends (other than in the ordinary course of business); (d) a special distribution or rights offering; (e) the change or exchange of the Shares into or with another security; or (f) any similar event or transaction not specifically contemplated by this Section 8 as determined by the Corporation in its sole discretion (collectively, a "Reorganization"), then there shall, subject to the consent of the Exchange (if required), automatically be an adjustment, as applicable, in (i) the number of Shares which may be issued pursuant hereto and/or the exercise price for the Shares, by corresponding amounts if applicable, and/or (ii) the kind and aggregate number of Shares or other securities or property resulting from the Reorganization, so that the rights evidenced hereby shall thereafter be as reasonably as possible equivalent to the rights originally granted hereby and such that the Holder, upon exercise of this Warrant following the effective date of the Reorganization, shall receive the number, kind and type of shares, securities or property the Holder would have been entitled to receive if, on the effective date thereof, the Holder had been the registered holder of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant certificate. In accordance with this certificate, the Corporation will make adjustments as it considers necessary and equitable acting in good faith, subject to any approvals required by the Exchange (if applicable). If at any time a dispute arises with respect to adjustments provided for herein, such dispute will be conclusively determined by the Canadian auditors of the Corporation or if they are unable or unwilling to act, by such other firm of Canadian independent chartered accountants as may be selected by the directors of the Corporation and any such determination, absent manifest error, will be binding upon the Corporation, the Holder and shareholders of the Corporation. The Corporation will provide such auditors or accountants with access to all necessary records of the Corporation and fees payable to such accountants or auditors will be paid by the Corporation.

- (b) At least twenty-one days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant certificate, including the Exercise Price and the number of Shares which are purchasable under this Warrant certificate, the Corporation will deliver to the Holder, at the Holder's registered address, a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Corporation will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant certificate, during such twenty-one day period.

9. **Consolidation and Amalgamation.** In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Holder, acting reasonably, and executed and delivered to the Holder, the due and punctual performance and observance of this Warrant certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant certificate.

10. **No Fractional Shares.** Upon the exercise of the Warrants evidenced hereby, the Corporation shall not be required to issue an aggregate number of Shares that results in any fractional Shares being issued and the Holder shall not be entitled to any cash payment or compensation in lieu of a fractional Share.

11. **Legending of Shares.** The Warrants have been, and the Shares will be, issued pursuant to an exemption (an "**Exemption**") from the registration and prospectus requirements of applicable securities law. To the extent that the Corporation relies on such Exemption, the Shares may be subject to restrictions on resale and transferability contained in applicable securities laws.

12. **Change; Waiver.** Subject to the approval of the Exchange (if required), the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Holder.

13. **No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for or the Corporation to issue any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase in the manner provided hereunder.

14. **Covenants.**

- (a) The Corporation covenants that (i) so long as any Shares evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein should the Holder determine to exercise its rights in respect of all the Shares available for purchase and issuance under outstanding Warrants, and (ii) all Shares which shall be issued upon the due exercise of the right to purchase provided for herein, upon payment therefor of the amount at which such Shares may at the time be purchased pursuant to the provisions hereof, shall, in respect of the Shares, be issued as fully paid and non-assessable class B subordinate voting shares in the capital of the Corporation be validly issued, free of all liens, charges and encumbrances; and

- (b) the Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.

15. **Representations and Warranties.** The Corporation hereby represents and warrants with and to the Holder that the Corporation is duly authorized and has the corporate and lawful power and authority to create and issue this Warrant certificate and the Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant certificate represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms.

16. **Lost Certificate.** If this Warrant certificate becomes stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, respectively issue and countersign a new Warrant certificate of like denomination, tenor and date as the Warrant certificate so stolen, lost, mutilated or destroyed.

17. **General.**

- (a) The headings in this certificate are for reference only and do not constitute terms of the Warrant certificate.
- (b) Whenever the singular or masculine is used in this Warrant certificate the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.
- (c) This Warrant certificate shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) Time shall be of the essence of this Warrant certificate.
- (e) This Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its principles governing the choice or conflict of laws. The Corporation and the Holder hereby irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any dispute related to or arising from this Warrant certificate.
- (f) All references herein to monetary amounts are references to lawful money of the United States of America.
- (g) All notices or other communications to be given to the Holder by the Corporation under this Warrant certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or electronic mail; and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic mail, on the date of transmission if sent before 5:00 p.m. (local time where the notice is received) on a business day or, if such day is not a business day, on the first business day following the date of transmission.

Notices to the Holder shall be addressed to the address of the Holder set out in the Register.

Notices to the Corporation shall be addressed to:

Each of the Corporation and the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant certificate.

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[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer on [●].

[●]

By: _____
Authorized Signatory

Warrant Certificate Signature Page

SCHEDULE "A"

WARRANT CERTIFICATE SUBSCRIPTION FORM

Jushi Holdings Inc.

[●]

Dear Sirs/Mesdames:

The undersigned hereby exercises the right to purchase and hereby subscribes for _____ class B subordinate voting shares (the **Shares**) of Jushi Holdings Inc. (the **"Corporation"**) and herewith makes payment of the purchase price of USD\$ _____ in full for the Shares.

In connection with the exercise of the Warrant certificate, the undersigned represents as follows: (Please check the ONE box applicable):

- ☐ The undersigned (a) at the time of exercise is not a U.S. person; (b) at the time of exercise is not within the United States; (c) is not exercising any of the Warrants represented by this Warrant certificate for the account or benefit of any U.S. person or person within the United States; and (d) did not execute or deliver this Subscription Form in the United States.
- ☐ The undersigned (a) purchased the Warrants directly from the Corporation pursuant to a subscription agreement for the purchase of units of the Corporation; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial purchaser, if any, (c) each of it and any beneficial purchaser was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act); and (d) the representations, warranties and covenants set forth in the written subscription agreement for the purchase of units from the Corporation continue to be true and correct.
- ☐ The undersigned has delivered to the Corporation a written opinion of U.S. counsel reasonably satisfactory to the Corporation to the effect that the Shares to be delivered upon exercise hereof are exempt from registration under the 1933 Act and the securities laws of all applicable states of the United States.

"1933 Act" means the United States *Securities Act of 1933*, as amended. **"U.S. person"** and **"United States"** are as defined by Regulation S under the 1933 Act.

Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 2 or Box 3 above is checked and the requirements in connection therewith have been satisfied.

Certificates representing Shares issued upon exercise of Warrants pursuant to Box 2 or Box 3 above will bear a U.S. restrictive legend.

If any Warrants represented by this Warrant certificate are not being exercised, a new Warrant certificate will be issued and delivered with the Share Warrant certificates.

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Please issue and deliver a certificate for the Shares being purchased as follows:

NAME: _____
(please print)

ADDRESS: _____

DELIVERY: _____

1. The registered holder of a Warrant may exercise its right to acquire Shares by completing and surrendering this Subscription Form and the ORIGINAL Warrant certificate representing the Warrants being converted to the Corporation, together with the aggregate amount of the exercise price for the Shares as provided for in the Warrant certificate. Certificates representing the Shares to be acquired on exercise will be sent by prepaid first-class mail to the address(es) above within five (5) business days after the receipt of all required documentation, subject to the terms of Warrant Indenture.
2. If this Subscription Form indicates that the Shares are to be issued to a person or persons other than the registered holder of the Warrants to be converted: (a) the signature of the registered holder on this Subscription Form must be medallion guaranteed by an authorized officer of a chartered bank, trust corporation or an investment dealer who is a member of a recognized stock exchange; and (b) the registered holder must pay to the Corporation all applicable taxes and other duties.
3. If this Subscription Form is signed by a trustee, executor, administrator, custodian, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity, this Subscription Form must be accompanied by evidence of authority to sign satisfactory to the Corporation.

City, Province/State and Postal/ZIP Code

***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF MASSACHUSETTS CANNABIS LAWS (AS DEFINED IN SECTION 14 HEREOF) OR THE GUIDANCE OR INSTRUCTION OF THE REGULATOR. THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE MASSACHUSETTS CANNABIS LAWS AND THE REGULATOR.

MERGER AND MEMBERSHIP INTERESTS PURCHASE AGREEMENT

This Merger and Membership Interests Purchase Agreement (this “**Agreement**”) is entered into as of April 16, 2021 (the “**Effective Date**”), by and among Jushi MA, Inc., a Massachusetts corporation (“**Merger Sub**”), Jushi Inc., a Delaware corporation (“**Buyer**”), Jushi Holdings Inc., a Canadian Corporation (“**Parent**”) solely with respect to Sections 1(e), 1(f), 3(b), 4, 13 and 14 Sammartino Investments LLC, a Delaware limited liability company (“**Seller**”), Nature’s Remedy of Massachusetts, Inc., a Massachusetts corporation (“**NRM**”), McMann LLC, a Massachusetts limited liability company (“**McMann**”), Valiant Enterprises, LLC, a Massachusetts limited liability company (“**Valiant**,” and, together with McMann, each a “**Company**” and collectively, the “**Companies**”), and solely with respect to Sections 6, 8(e), 8(g), 13 and 14 hereof, John Brady (“**Brady**”), Robert Carr (“**Carr**”) and Justin Lundberg (“**Lundberg**,” and together with Brady and Carr, each a “**Seller Executive**” and collectively the “**Seller Executives**”). Merger Sub, Buyer, Seller, NRM and each Company is each individually referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. NRM is the recipient and holder in good standing of an Adult Use Marijuana Cultivation – Tier 4 / Indoor (20,001 – 30,000) license, registration number [***] (the “**Cultivation License**”), an Adult Use Marijuana Product Manufacturing license, registration number MP281524 (the “**Manufacturing License**”), two (2) Adult Use Marijuana Retail licenses for retail dispensaries in Tyngsborough, registration number [***] (the “**Tyngsborough Retail License**”), and Millbury, registration number [***] (the “**Millbury Retail License**”), and collectively with the Tyngsborough Retail License, the “**Retail Licenses**”), and one Medical License for medical cultivation and production in Lakeville, and medical retail in Millbury, registration number [***] (the “**Medical License**”) each issued by the Massachusetts Cannabis Control Commission (“**CCC**”);

B. Seller owns one hundred percent (100%) of the issued and outstanding common stock of NRM (the “**NRM Common Stock**”);

C. Buyer owns one hundred percent (100%) of the issued and outstanding common stock of Merger Sub (the “**Merger Sub Common Stock**”);

D. Buyer is a wholly-owned subsidiary of Parent;

E. In accordance with the provisions of Section 368(a)(2)(D) of the Code and the Massachusetts Business Corporation Act (M.G.L. Ch. 156D) (the “**MBCA**”), Merger Sub and NRM desire to consummate a merger whereby NRM will be merged with and into Merger Sub (the “**Merger**”), with Merger Sub surviving (Merger Sub, as the entity surviving the Merger, is sometimes referred to herein as the “**Surviving Company**”);

F. The Board of Directors of NRM has adopted resolutions approving the execution of this Agreement and the consummation of the Transactions contemplated herein, and recommending that Seller (as NRM’s sole stockholder) adopt the plan of merger (as such term is used in the MBCA) contained in this Agreement;

G. The Board of Directors of Merger Sub has adopted resolutions approving the execution of this Agreement and the consummation of the Transactions contemplated herein;

H. McMann provides certain accounting, human resources, marketing, management and other administrative services to NRM (the “**McMann Business**”);

I. Valiant owns or leases certain real property and equipment and provides use of such real property and equipment to NRM (the “**Valiant Business**”), and together with the McMann Business, the “**Disregarded Entity Businesses**”);

J. Seller owns one hundred percent (100%) of the outstanding equity securities of each of the Companies (the “**Company Interests**”); and

K. Simultaneously with the Merger, Buyer desires to purchase all of the issued and outstanding Company Interests from Seller (the “**Company Interest Purchase**”), and together with the Merger, the “**Transactions**”).

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:

AGREEMENT

ARTICLE 1 MERGER

(a) The Merger. At the Effective Time and upon the terms and conditions of this Agreement and the applicable provisions of the MBCA, NRM will be merged with and into Merger Sub, whereupon the separate corporate existence of NRM shall cease and Merger Sub shall continue as the Surviving Company.

(b) Effect of the Merger. The effect of the Merger shall be as provided in this Agreement and the applicable provisions of the MBCA. Without limiting the generality of the foregoing, at the Effective Time and by reason of the Merger, all the property, rights, privileges, powers and franchises, and all and every other interest of NRM and Merger Sub, shall vest in the Surviving Company and all debts, Liabilities and duties of NRM and Merger Sub shall become the debts, Liabilities and duties of the Surviving Company.

(c) Articles of Organization and Bylaws; Officers and Directors; Name. From and after the Effective Time:

(i) The articles of organization of Merger Sub, as in effect immediately prior to the Effective Time, shall be the articles of organization of the Surviving Company until amended in accordance with the provisions thereof and Applicable Law;

(ii) The bylaws of Merger Sub, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Company until amended in accordance with the provisions thereof, the articles of organization and Applicable Law;

(iii) The directors and/or officers of Merger Sub serving immediately prior to the Effective Time shall be the directors and officers of the Surviving Company until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, in each case in accordance with the provisions of the articles of organization, the bylaws and Applicable Law; and

(iv) The name of Surviving Company shall be "Jushi MA, Inc." as provided in the articles of organization of the Merger Sub.

(d) Effect of Merger on Capital Stock Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any further action on the part of any of the Parties hereto:

(i) each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall be and remain one (1) validly issued, fully paid and non-assessable share of common stock of the Surviving Company;

(ii) each share of NRM Common Stock issued and outstanding immediately before the Effective Time, shall automatically be cancelled and shall cease to exist, and shall be converted solely into the right to receive a pro rata portion of the Merger Consideration;

(iii) each share of NRM Common Stock that is held in the treasury of NRM or owned by NRM immediately prior to the Effective Time shall automatically be cancelled and retired and shall cease to exist, and no cash or other consideration shall be delivered or deliverable in exchange therefore; and

(iv) Seller shall cease to have any rights with respect to the NRM Common Stock, except the right to receive the Merger Consideration as provided herein.

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(e) Merger Consideration. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Seller shall be entitled to receive cash and securities having an aggregate total value of Sixty-Five Million Dollars (\$65,000,000) (subject to adjustment as provided in this Agreement) (the "**Merger Consideration**"), which shall be payable or issuable to Seller by Buyer or Parent, as applicable, as follows:

(i) A number of shares of Parent Common Stock (the "**Merger Stock Consideration**") equal to Fifty-Five Million Dollars (\$55,000,000) divided by the Closing Parent Common Stock Price.

(ii) Five Million Dollars (\$5,000,000) evidenced by an unsecured promissory note issued by Buyer, NRM and Valiant (the "**Merger Note Consideration**") bearing interest at the rate of eight percent (8%) per annum, with interest payable in cash quarterly and maturing sixty (60) months from the date of issuance thereof, at which time all principal and accrued but unpaid interest shall be due and payable (the "**Note**"); and

(iii) Five Million Dollars (\$5,000,000) in cash (the "**Merger Cash Consideration**").

(f) Additional Merger Consideration. In addition to the Merger Consideration, Parent may issue, and Seller may be entitled to receive, up to Ten Million Dollars (\$10,000,000) worth of Parent Common Stock as additional consideration (the "**Additional Merger Consideration**") as follows:

(A) If a Tyngsborough Competitor does not open a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius at any time during the First Milestone Period, Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A) Five Million Dollars (\$5,000,000); divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the one (1) year anniversary of the Closing Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the Trading Day immediately preceding the one (1) year anniversary of the Closing Date.

(B) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary outside the Prohibited Radius at any time during the First Milestone Period (a "**First Milestone Period Outside Opening Date**"), Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A) Ten Million Dollars (\$10,000,000); divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the First Milestone Period Outside Opening Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the Trading Day immediately preceding the First Milestone Period Outside Opening Date.

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(C) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary inside the Prohibited Radius at any time during the First Milestone Period, Seller shall not be entitled to any Additional Stock Consideration whatsoever under this Agreement.

(D) If a Tyngsborough Competitor does not open a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius at any time during the First Milestone Period, on each monthly anniversary of the Closing Date during the Second Milestone Period (beginning on the thirteen (13) month anniversary of the Closing Date) during which a Tyngsborough Competitor does not open a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius Seller shall accrue Two Hundred Seventy-Seven Thousand Seven Hundred and Seventy-Eight Dollars (\$277,778) (each, a "**Monthly Milestone Accrual**"). On the eighteen (18), twenty-four (24) and thirty (30) month anniversaries of the Closing Date (each, a "**Second Milestone Period Issuance Date**"), and provided a Tyngsborough Competitor has not opened a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius, Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A) One Million Six Hundred Sixty-Six Thousand Six Hundred and Sixty-Eight Dollars (\$1,666,668); divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the applicable Second Milestone Period Issuance Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the on the Trading Day immediately preceding the applicable Second Milestone Period Issuance Date.

(E) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary outside the Prohibited Radius at any time during the Second Milestone

Period (a “**Second Milestone Period Outside Opening Date**”), Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A)(1)Five Million Dollars (\$5,000,000); minus (2)the value of all Monthly Milestone Accruals for which Parent has issued Parent Common Stock (or which has been subject to a set-off in accordance with Section 10(h)(vi)hereof) prior to the Second Milestone Period Outside Opening Date; divided by (B)a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the Second Milestone Period Outside Opening Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the on the Trading Day immediately preceding the Second Milestone Period Outside Opening Date.

(F) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary inside the Prohibited Radius at any time during the Second Milestone Period, (a “**Second Milestone Period Inside Opening Date**”), Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A)(1)the value of all Monthly Milestone Accruals; minus (2)the value of all Monthly Milestone Accruals for which Parent has issued Parent Common Stock (or which has been subject to a set-off in accordance with Section 10(h)(vi)hereof) prior to the Second Milestone Period Inside Opening Date; divided by (B)a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the Second Milestone Period Inside Opening Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the on the Trading Day immediately preceding the Second Milestone Period Inside Opening Date.

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(G) There shall be no partial Monthly Milestone Accruals. In the event a Second Milestone Period Inside Opening Date or a Second Milestone Period Outside Opening Date occurs on any day other than a monthly anniversary of the Closing Date, the value of all Monthly Milestone Accruals for purposes of Sections 1(f)(v) or Section 1(f)(vi)shall be the value of the Monthly Milestone Accruals as of the monthly anniversary of the Closing Date immediately preceding the Second Milestone Period Inside Opening Date or the Second Milestone Period Outside Opening Date, as the case may be.

(g) Net Working Capital Adjustment to the Merger Consideration at Closing

(i) At least five (5)business days before the Closing Date, Seller shall prepare and deliver to Buyer a net working capital statement in the form attached hereto (the “**NRM Net Working Capital Statement**”) setting forth Seller’s estimate of the NRM Net Working Capital as of the Closing Date (the “**NRM Estimated Closing Net Working Capital**”), which shall take into account the results of the Inventory Count (as defined below), include each component item set forth on the NRM Net Working Capital Statement and be prepared in accordance with GAAP applied on a basis consistent with the Audited Financial Statements. At least one (1)calendar day before the Closing Date, in connection with determining adjustments, if any, to the Inventory component of the NRM Estimated Closing Net Working Capital, Buyer and Seller shall jointly conduct a physical count of the Inventory of NRM, which amount shall be adjusted to reflect sales, the completion of Inventory and other relevant transactions between the time of such physical count and the Closing Date using standard accounting cutoff procedures, mutually agreed upon by Buyer and Seller, to arrive at a value which shall be deemed the Inventory of NRM as of the Closing Date (the “**Inventory Count**”).

(ii) The term “**NRM Estimated Closing Adjustment Amount**” shall be an amount equal to the NRM Estimated Closing Net Working Capital minus the NRM Net Working Capital Target. If the NRM Estimated Closing Adjustment Amount is a positive number (the “**NRM Positive Closing Net Working Capital Amount**”), the Merger Cash Consideration shall be increased on a dollar-for-dollar basis by the NRM Positive Closing Net Working Capital Amount. If the NRM Estimated Closing Adjustment Amount is a negative number (the “**NRM Negative Closing Net Working Capital Amount**”), the Merger Cash Consideration shall be decreased on a dollar-for-dollar basis by the NRM Negative Closing Net Working Capital Amount.

(h) NRM Indebtedness at Closing; NRM and Seller Transaction Expenses; NRM Taxes

(i) At least five (5)business days prior to the Closing Date, Seller shall deliver to Buyer a schedule (the “**NRM Closing Indebtedness Schedule**”) that contains a complete and accurate statement of the Indebtedness of NRM as of the Closing Date (the “**NRM Closing Indebtedness Amount**”) together with wire transfer and other instructions for the payoff of such Indebtedness and payoff letters from each holder of such Indebtedness in form, scope and substance acceptable to Buyer. On the Closing Date, Buyer shall pay off all of the NRM Closing Indebtedness Amount reflected on the NRM Closing Indebtedness Schedule by wire transfers of immediately available funds to the holders of such Indebtedness, and the Merger Cash Consideration shall be reduced by one hundred percent (100%) of the NRM Closing Indebtedness Amount.

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(ii) On the business day prior to the Closing Date, Seller shall deliver to Buyer a schedule (the “**NRM Transaction Expense Schedule**”) that contains a complete and accurate statement of the NRM Transaction Expenses that will be unpaid as of the Closing Date, together with wire transfer instructions for payment of each NRM Transaction Expense. On the Closing Date, Buyer may elect, in its sole discretion, to pay all or any of the NRM Transaction Expenses reflected on the NRM Closing Indebtedness Schedule by wire transfers of immediately available funds. Notwithstanding Buyer’s election to pay all or any of the NRM Transaction Expenses on the Closing Date, the Merger Cash Consideration shall be decreased by one hundred percent (100%) of the NRM Transaction Expenses.

(iii) On the business day prior to the Closing Date, Seller may elect to deliver to Buyer a schedule (the “**Seller Transaction Expense Schedule**”) that contains all or any Seller Transaction Expenses that Seller desires to have Buyer pay off at Closing, together with wire transfer instructions for the payment of any such Seller Transaction Expenses. On the Closing Date, Buyer shall (on behalf of Seller) pay the Seller Transaction Expenses reflected on the Seller Transaction Expense Schedule by wire transfers of immediately available funds, and the Merger Cash Consideration shall be decreased by the Seller Transaction Expenses actually paid off by Buyer at Closing.

(iv) On the business day prior to the Closing Date, Seller shall deliver to Buyer a schedule that contains a complete and accurate statement of all Taxes owed by NRM as of the Closing Date, including without limitation all Taxes [***] (the “**NRM Closing Tax Amount**”). On the Closing Date, the Merger Cash Consideration shall be decreased by one hundred percent (100%) of the NRM Closing Tax Amount.

(i) Reconciliation.

(i) Buyer shall, within one hundred and twenty (120) days after the Closing Date (the “**NRM Reconciliation Period**”), verify the actual NRM Net Working Capital as of the Closing Date (the “**NRM Closing Net Working Capital**”), the NRM Closing Indebtedness Amount and the NRM Transaction Expenses (the “**NRM Reconciliation Items**”), in each case as of the Closing Date, using the Audited Financial Statements or such other financial or other documents as may be necessary or desirable in the reasonable discretion of Buyer. Buyer shall, on or prior to the last day of the NRM Reconciliation Period, provide Seller with a statement (an “**NRM Reconciliation Statement**”), which shall detail with reasonable specificity the actual value of each of the NRM Reconciliation Items as of the Closing Date. With respect to the determination of the actual value of the NRM Closing Net Working Capital, any Inventory that was valued as part of the NRM Estimated Closing Net Working Capital but is: (A)subject to a destruction order; or (B) indefinitely quarantined, in each case as of the Closing Date, shall be valued at Zero Dollars (\$0).

(ii) Seller shall have thirty (30) days (the “**NRM Review Period**”) from the date it receives an NRM Reconciliation Statement to review such NRM Reconciliation Statement and Buyer’s determination of the actual value of each of the NRM Reconciliation Items as of the Closing Date. During the NRM Review Period,

Buyer will provide Seller (and its Representatives), promptly upon Seller's request, with access to the Surviving Company's books and records (and permit Seller and its Representatives to make copies thereof), employees and auditors, in each case as Seller may reasonably request for the purpose of reviewing and analyzing the NRM Reconciliation Statement and preparing a NRM Statement of Objections (as hereafter defined). All access provided by Buyer shall be in a manner that does not unreasonably interfere with the normal business operations of the Surviving Company, Buyer or any of their Affiliates. If any access desired by Seller would interfere with the normal business operations of the Surviving Company, Buyer or any of their Affiliates, Buyer may offer to provide access at reasonable alternative locations.

(iii) On or prior to the last day of the NRM Review Period, Seller may object to Buyer's determination of the actual value of any of the NRM Reconciliation Items as of the Closing Date by delivering to Buyer a written statement (a "**NRM Statement of Objections**") setting forth the disputed NRM Reconciliation Items (each, a "**NRM Disputed Reconciliation Item**") and describing with reasonable specificity the basis for Seller's objection thereto. Any NRM Reconciliation Item not expressly objected to by Seller in a NRM Statement of Objections prior to the expiration of the NRM Review Period shall be deemed to have been accepted by Seller (each, an "**NRM Accepted Reconciliation Item**"). If Seller fails to deliver a NRM Statement of Objections before the expiration of the NRM Review Period, all NRM Reconciliation Items shall be deemed to be NRM Accepted Reconciliation Items.

(iv) If Seller delivers an NRM Statement of Objections with respect to one or more NRM Disputed Reconciliation Items before the expiration of the NRM Review Period, Seller and Buyer shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the NRM Statement of Objections from Seller to Buyer (the "**NRM Resolution Period**"), and, if all such objections are so resolved within the NRM Resolution Period, the NRM Reconciliation Statement, with such changes as may have been agreed in writing by Seller and Buyer, shall be final and binding on Seller and Buyer (and any other Person) for all purposes hereunder.

(v) If Seller and Buyer fail to reach an agreement with respect to all of the NRM Disputed Reconciliation Items before expiration of the NRM Resolution Period, the remaining NRM Disputed Reconciliation Items shall be submitted for resolution to an impartial nationally recognized firm of independent certified public accountants as may be mutually selected by Buyer and Seller (the "**Independent Accountant**"); provided that if the Buyer and Seller are unable to agree on an Independent Accountant within five (5) days following the end of the NRM Resolution Period, each shall, within two (2) days thereafter, select its own accounting firm, which together shall select the Independent Accountant which, acting as experts only and not as arbitrators with any authority to interpret any provision of this Agreement, shall resolve the issues underlying the NRM Disputed Reconciliation Items only and make any corresponding adjustments to the NRM Reconciliation Statement. Buyer and Seller agree that all adjustments shall be made without regard to materiality. The decision of the Independent Accountant with respect to each NRM Disputed Reconciliation Item must be within the range of values assigned to each such item by Buyer and Seller in the NRM Reconciliation Statement and the NRM Statement of Objections, respectively.

(vi) The Independent Accountant shall make a determination as soon as practicable and in any event within thirty (30) days (or such other period of time as the Parties shall agree in writing) after its engagement, and its resolution of the NRM Disputed Reconciliation Items and its corresponding adjustments to the NRM Reconciliation Statement shall be conclusive and binding on all Parties (and any other Person) for all purposes hereunder absent fraud or gross negligence. Upon resolution of a NRM Disputed Reconciliation Item by the Independent Accountant, such NRM Disputed Resolution Item shall thereafter be deemed to be an NRM Accepted Reconciliation Item. Judgment on the determination of the Independent Accountant may be entered by any state court of competent jurisdiction located in the Commonwealth of Massachusetts.

(vii) The fees and expenses of the Independent Accountant shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller. Notwithstanding the foregoing, upon resolution of each NRM Disputed Reconciliation Item, Buyer and Seller shall true-up all payments made to the Independent Accountant such that Buyer and Seller have each paid an amount inverse to the aggregate proportion by which the Independent Accountant resolves each of the NRM Disputed Reconciliation Items in favor of one Buyer or Seller. By way of example, but not by way of limitation, if the NRM Disputed Reconciliation Items represent a total amount in controversy of One Hundred Thousand Dollars (\$100,000) to be determined by the Independent Accountant and the Independent Accountant determines that Buyer prevails with respect to Eighty Thousand Dollars (\$80,000) in the aggregate and Seller prevails with respect to Twenty Thousand Dollars (\$20,000) in the aggregate, then Buyer would pay twenty percent (20%) of the Independent Accountant's fees and expenses and Seller would pay eighty percent (80%) of the Independent Accountant's fees and expenses.

(viii) Upon all NRM Reconciliation Items becoming NRM Accepted Reconciliation Items in accordance with this Section 1(i): (A) if it is determined, on aggregate, that the Merger Consideration paid by Buyer to Seller on the Closing Date was less than it should have been, Buyer shall pay to Seller, in cash, the difference between the aggregate amounts owed to Seller on the Closing Date as determined in accordance with this Section 1(i) and the actual amount paid by Buyer to Seller on the Closing Date; and (B) if it is determined, on aggregate, that the Merger Consideration paid by Buyer to Seller on the Closing Date was more than it should have been, Buyer shall be entitled to decrease the Merger Note Consideration (by reducing the principal amount of the Note) by the difference between the amount paid by Buyer to Seller on the Closing Date and the actual amount owed to Seller on the Closing Date as determined in accordance with this Section 1(i). Any excess amount owed by Seller to Buyer beyond the Merger Note Consideration pursuant to this Section 1(i) shall be paid by Seller to Buyer, in cash, by wire transfer of immediately available funds. All payments pursuant to this Section 1(i) shall be made within thirty (30) days of the date the last NRM Reconciliation Item becomes an NRM Accepted Reconciliation Item.

(j) Subsequent Actions. If, at any time after the Effective Time, the Surviving Company shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise the Surviving Company's right, title or interest in, to or under any of the rights, properties, privileges, franchises or assets of NRM as a result of, or in connection with, the Merger, or otherwise to carry out the intent of this Agreement, the officers and directors of the Surviving Company shall be authorized to execute and deliver, in the name and on behalf of NRM, all such deeds, bills of sale, assignments, assurances or other actions or things and to take and do, in the name and on behalf of NRM or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties, privileges, franchises or assets in the Surviving Company or otherwise to carry out the intent of this Agreement.

(k) True-Up. In the event all decreases to the Merger Consideration made pursuant to this Section 1 exceed the Merger Cash Consideration, Seller shall pay the difference to Buyer, in cash, by wire transfer of immediately available funds or such other methods as the parties may agree in writing.

ARTICLE 2 PURCHASE AND SALE OF COMPANY INTERESTS

(a) Purchase and Sale of Company Interests. Upon the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of the Company Interests, free and clear of any Liens.

(b) Consideration. As consideration for the sale, conveyance, transfer, assignment and delivery of the Company Interests by Seller, on the Closing Date Buyer shall pay to Seller (subject to adjustment as provided in this Agreement) an aggregate purchase price of Thirty-Five Million Dollars (\$35,000,000) in cash (the “**Company Interest Purchase Consideration**”, and together with the Merger Consideration, the “**Purchase Price**”).

(c) Net Working Capital Adjustment to the Company Interest Purchase Consideration at Closing

(i) At least five (5) business days before the Closing Date, Seller shall prepare and deliver to Buyer a net working capital statement in the form attached hereto (the “**Companies Net Working Capital Statement**”) setting forth Seller’s estimate of the Companies Net Working Capital as of the Closing Date (the “**Companies Estimated Closing Net Working Capital**”), which shall include each component item set forth on the Companies Net Working Capital Statement and be prepared in accordance with GAAP applied on a basis consistent with the Audited Financial Statements.

(ii) The “**Companies Estimated Closing Adjustment Amount**” shall be an amount equal to the Companies Estimated Closing Net Working Capital minus the Companies Net Working Capital Target. If the Companies Estimated Closing Adjustment Amount is a positive number (the “**Companies Positive Closing Net Working Capital Amount**”), the Company Interest Purchase Consideration shall be increased on a dollar-for-dollar basis by the Companies Positive Closing Net Working Capital Amount. If the Companies Estimated Closing Adjustment Amount is a negative number (the “**Companies Negative Closing Net Working Capital Amount**”), the Company Interest Purchase Consideration shall be decreased on a dollar-for-dollar basis by the Companies Negative Closing Net Working Capital Amount.

(d) Indebtedness of the Companies at Closing; Transaction Expenses of the Companies; Taxes of the Companies

(i) At least five (5) business days prior to the Closing Date, Seller shall deliver to Buyer a schedule (the “**Companies Closing Indebtedness Schedule**”) that contains a complete and accurate statement of the aggregate Indebtedness of the Companies as of the Closing Date (the “**Companies Closing Indebtedness Amount**”) together with wire transfer and other instructions for the payoff of such Indebtedness and payoff letters from each holder of such Indebtedness in form, scope and substance acceptable to Buyer. On the Closing Date, Buyer shall pay off all of the Companies Closing Indebtedness Amount reflected on the Companies Closing Indebtedness Schedule by wire transfers of immediately available funds to the holders of such Indebtedness, and the Company Interest Purchase Consideration shall be reduced by one hundred percent (100%) of the Companies Closing Indebtedness Amount.

(ii) On the business day prior to the Closing Date, Seller shall deliver to Buyer a schedule (the “**Companies Transaction Expense Schedule**”) that contains a complete and accurate statement of the Companies Transaction Expenses that will be unpaid as of the Closing Date, together with wire transfer instructions for payment of the Companies Transaction Expenses. On the Closing Date, Buyer may elect, in its sole discretion, to pay all or any of the Companies Transaction Expenses reflected on the Companies Transaction Expense Schedule by wire transfers of immediately available funds. Notwithstanding Buyer’s election to pay all or any of the Companies Transaction Expenses on the Closing Date, the Company Interest Purchase Consideration shall be reduced by one hundred percent (100%) of the Companies Transaction Expenses.

(iii) On the business day prior to the Closing Date, Seller shall deliver to Buyer a schedule that contains a complete and accurate statement of all Taxes owed by Seller pursuant to Seller’s ownership of each Company as of the Closing Date, including without limitation all Taxes [***] (the “**Companies Closing Tax Amount**”). On the Closing Date, the Membership Interest Purchase Consideration shall be reduced by one hundred percent (100%) of the Companies Closing Tax Amount.

(e) Reconciliation.

(i) Buyer shall, within one hundred and twenty (120) days after the Closing Date (the “**Companies Reconciliation Period**”), verify the actual Companies Net Working Capital (the “**Companies Closing Net Working Capital**”), the Companies Closing Indebtedness Amount and the Companies Transaction Expenses (the “**Companies Reconciliation Items**”), in each case as of the Closing Date, using the Audited Financial Statements or such other financial or other documents as may be necessary or desirable in the reasonable discretion of Buyer. Buyer shall, on or prior to the last day of the Companies Reconciliation Period, provide Seller with a statement (the “**Companies Reconciliation Statement**”), which shall detail with reasonable specificity the actual value of each of the Companies Reconciliation Items as of the Closing Date.

(ii) Seller shall have thirty (30) days (the “**Companies Review Period**”) from the date it receives the Companies Reconciliation Statement to review the Companies Reconciliation Statement and Buyer’s determination of the actual value of each of the Companies Reconciliation Items as of the Closing Date. During the Companies Review Period, Buyer will provide Seller (and its Representatives), promptly upon Seller’s request, with access to the Companies’ books and records (and permit Seller and its Representatives to make copies thereof), employees and auditors, in each case as Seller may reasonably request for the purpose of reviewing and analyzing the Companies Reconciliation Statement and preparing a Companies Statement of Objections (as hereafter defined). All access provided by Buyer shall be in a manner that does not unreasonably interfere with the normal business operations of either Company, Buyer or any of their Affiliates. If any access desired by Seller would interfere with the normal business operations of either Company, Buyer or any of their Affiliates, Buyer may offer to provide access at reasonable alternative locations.

(iii) On or prior to the last day of the Companies Review Period, Seller may object to Buyer’s determination of the actual value of any of the Companies Reconciliation Items as of the Closing Date by delivering to Buyer a written statement (a “**Companies Statement of Objections**”) setting forth the disputed Companies Reconciliation Items (each, a “**Companies Disputed Reconciliation Item**”) and describing with reasonable specificity the basis for Seller’s objection thereto. Any Companies Reconciliation Item not expressly objected to by Seller in a Companies Statement of Objections prior to the expiration of the Companies Review Period shall be deemed to have been accepted by Seller (each, an “**Companies Accepted Reconciliation Item**”). If Seller fails to deliver a Companies Statement of Objections before the expiration of the Companies Review Period, all Companies Reconciliation Items shall be deemed to be Companies Accepted Reconciliation Items.

(iv) If Seller delivers a Companies Statement of Objections with respect to one or more Companies Disputed Reconciliation Items before the expiration of the Companies Review Period, Seller and Buyer shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Companies Statement of Objections from Seller to Buyer (the “**Companies Resolution Period**”), and, if all such objections are so resolved within the Companies Resolution Period, the Companies Reconciliation Statement, with such changes as may have been agreed in writing by Seller and Buyer, shall be final and binding on Seller and Buyer (and any other Person) for all purposes hereunder.

(v) If Seller and Buyer fail to reach an agreement with respect to all of the Companies Disputed Reconciliation Items before expiration of the Companies Resolution Period, the remaining Companies Disputed Reconciliation Items shall be submitted to an Independent Accountant selected in the same manner as set forth in Section 1(i)(v), and such Independent Accountant shall resolve the issues underlying the Companies Disputed Reconciliation Items only and make any corresponding adjustments to the Companies Reconciliation Statement. Buyer and Seller agree that all adjustments shall be made without regard to materiality. The decision of the Independent Accountant with respect to each Companies Disputed Reconciliation Item must be within the range of values assigned to each such item by Buyer and Seller in the Companies Reconciliation Statement and the Companies Statement of Objections, respectively.

(vi) The Independent Accountant shall make a determination as soon as practicable and in any event within thirty (30) days (or such other time as the Parties shall agree in writing) after its engagement, and its resolution of the Companies Disputed Reconciliation Items and its corresponding adjustments to the Companies Reconciliation Statement shall be conclusive and binding on all Parties (and any other Person) for all purposes hereunder absent fraud or gross negligence. Upon resolution of a Companies Disputed Reconciliation Item by the Independent Accountant, such Companies Disputed Resolution Item shall thereafter be deemed to be a Companies Accepted Reconciliation Item. Judgment on the determination of the Independent Accountant may be entered by any state court of competent jurisdiction located in the Commonwealth of Massachusetts.

(vii) The fees and expenses of the Independent Accountant shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller. Notwithstanding the foregoing, upon resolution of each Companies Disputed Reconciliation Item, Buyer and Seller shall true-up all payments made to the Independent Accountant such that Buyer and Seller have each paid an amount inverse to the aggregate proportion by which the Independent Accountant resolves each of the Companies Disputed Reconciliation Items in favor of one Buyer or Seller. By way of example, but not by way of limitation, if the Companies Disputed Reconciliation Items represent a total amount in controversy of One Hundred Thousand Dollars (\$100,000) to be determined by the Independent Accountant and the Independent Accountant determines that Buyer prevails with respect to Eighty Thousand Dollars (\$80,000) in the aggregate and Seller prevails with respect to Twenty Thousand Dollars (\$20,000) in the aggregate, then Buyer would pay twenty percent (20%) of the Independent Accountant's fees and expenses and Seller would pay eighty percent (80%) of the Independent Accountant's fees and expenses.

(viii) Upon all Companies Reconciliation Items becoming Companies Accepted Reconciliation Items in accordance with this Section 2(e): (A) if it is determined, on aggregate, that the Company Interest Purchase Consideration paid by Buyer to Seller on the Closing Date was less than it should have been, Buyer shall pay to Seller, in cash, the difference between the aggregate amounts owed to Seller on the Closing Date as determined in accordance with this Section 2(e) and the actual amount paid by Buyer to Seller on the Closing Date; and (B) if it is determined, on aggregate, that the Company Interest Purchase Consideration paid by Buyer to Seller on the Closing Date was more than it should have been, Buyer shall be entitled to decrease the Merger Note Consideration (by reducing the principal amount of the Note) by the difference between the amount paid by Buyer to Seller on the Closing Date and the actual amount owed to Seller on the Closing Date as determined in accordance with this Section 2(e). Any excess amount owed by Seller to Buyer beyond the Merger Note Consideration pursuant to this Section 2(e) shall be paid by Seller to Buyer, in cash, by wire transfer of immediately available funds. All payments pursuant to this Section 2(e) shall be made within thirty (30) days of the date the last Company Interest Purchase Consideration Reconciliation Item becomes a Company Interest Purchase Consideration Accepted Reconciliation Item.]

ARTICLE 3 CLOSING

(a) Closing and Effective Time of Merger. The closing of the Merger (the "**Merger Closing**") and the closing of the Company Interests Purchase (the "**Company Interest Purchase Closing**", and together with the Merger Closing, the "**Closing**") will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of all the conditions set forth in Section 9 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to their satisfaction or waiver at the Closing), or on such other date as Buyer and Seller may mutually determine in writing (the "**Closing Date**"). Subject to the terms and conditions of this Agreement, as soon as practicable on the Closing Date, NRM and Merger Sub shall cause articles of merger or other appropriate documents (the "**Articles of Merger**") to be executed and filed with the Secretary of the Commonwealth for the Commonwealth of Massachusetts in accordance with the relevant provisions of the MBCA and shall make all other filings or recordings required to make the Merger effective (including, without limitation, the filing of an annual report by NRM if necessary). The Merger shall become effective at the time the Articles of Merger shall have been duly filed with the Secretary of the Commonwealth for the Commonwealth of Massachusetts or such other date and time as is agreed upon by NRM and Merger Sub and specified in the Articles of Merger (such time as the Merger becomes effective is referred to in this Agreement as the "**Effective Time**"). Both the Merger Closing and the Company Interest Purchase Closing will be deemed to have occurred at 12:01 a.m., Eastern Prevailing Time, on the Closing Date, and shall be deemed to have occurred simultaneously or in immediate succession.

(b) Deliveries at Closing. At the Closing: (i) Seller, NRM or either Company, as the case may be, shall deliver to Buyer the various certificates, instruments, and documents referred to in Section 9(a), and (ii) Parent or Buyer, as the case may be, shall deliver to Seller the Purchase Price (as adjusted in accordance with the terms hereof) and the various certificates, instruments, and documents referred to in Section 9(b).

(c) Withholding. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold from the Purchase Price under any provision of Applicable Law pertaining to Taxes. All such withheld amounts shall be treated as delivered to Seller hereunder.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PARENT, BUYER AND MERGER SUB

Parent, Buyer and Merger Sub jointly and severally represent and warrant to Seller that the statements contained in this Section 4 are correct and complete as of the Effective Date and, except as otherwise permitted herein, will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Section 4).

(a) Organization. Each of Parent, Buyer and Merger Sub is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation. Each of Parent, Buyer and Merger Sub has full corporate power and authority to conduct its business as presently being conducted and to own and lease its properties and assets and, subject to the terms and conditions of this Agreement, to consummate the Transactions.

(b) Authorization of Transactions. Each of Parent, Buyer and Merger Sub has full corporate power and authority, and has taken all action necessary to authorize, execute and deliver this Agreement and to perform its obligations hereunder, except as may be limited by the Enforceability Limitations. This Agreement has been duly executed and delivered by Parent, Buyer and Merger Sub and constitutes a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(c) No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transactions and the performance by each of Parent, Buyer,

and Merger Sub of its obligations hereunder do not, and will not, result in or constitute: (i) a violation of or a conflict with any provision of its organizational documents, (ii) a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become, a material default under, any term or provision of any contract or agreement to which it is a party, or (iii) a violation by it of any Applicable Law.

(d) Consents and Approvals. Except as otherwise set forth herein, no consent, approval or authorization of, or declaration, filing or registration with, any third party is required to be made or obtained by Parent, Buyer or Merger Sub in connection with the execution, delivery and performance of this Agreement and the consummation of the Transactions.

(e) Brokers' Fees. Neither Parent, Buyer nor Merger Sub has, or will have, any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions.

(f) Parent Common Stock. All Parent Common Stock shall be validly issued, fully paid and nonassessable ClassB Subordinate Voting Shares of Parent, each of which will be free and clear of all Liens other than as stated herein or imposed by Applicable Law (including without limitation the Securities Laws).

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF SELLER, NRM AND EACH COMPANY

Seller, NRM and the Companies, jointly and severally, represent and warrant to Buyer that the statements contained in this Section 5 are correct and complete as of the Effective Date, except as set forth in the disclosure schedule delivered by Seller to Buyer on the Effective Date (the "**Disclosure Schedule**"). Seller, NRM, and the Companies, jointly and severally, represent and warrant to Buyer that the statements contained in this Section 5 will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Section 5) subject only to matters expressly permitted herein.

(a) Organization.

(i) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. Seller has full limited liability company power and authority to conduct its business as presently being conducted and to own and lease its properties and assets and, subject to the terms and conditions of this Agreement, to consummate the Transactions.

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(ii) NRM is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. NRM is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. NRM has full corporate power and authority to conduct its business as presently being conducted and to own and lease its properties and assets and, subject to the terms and conditions of this Agreement, to consummate the Transactions.

(iii) Each of McMann and Valiant is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Massachusetts. Each of McMann and Valiant is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. Each of McMann and Valiant has full limited liability company power and authority to conduct its business as presently being conducted and to own and lease its properties and assets and, subject to the terms and conditions of this Agreement, to consummate the Transactions.

(b) Authorization of Transactions.

(i) Seller has full limited liability company power and authority and has taken all action necessary to authorize, execute and deliver this Agreement and to perform its obligations hereunder, except as may be limited by the Enforceability Limitations. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(ii) NRM has full corporate power and authority and has taken all action necessary to authorize, execute and deliver this Agreement and to perform its obligations hereunder, except as may be limited by the Enforceability Limitations. This Agreement has been duly executed and delivered by NRM and constitutes a legal, valid and binding obligation of NRM enforceable against NRM in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(iii) Each of McMann and Valiant has full limited liability company power and authority and has taken all action necessary to authorize, execute and deliver this Agreement and to perform their respective obligations hereunder, except as may be limited by the Enforceability Limitations. This Agreement has been duly executed and delivered by each of McMann and Valiant and constitute a legal, valid and binding obligation of McMann and Valiant enforceable against McMann and Valiant in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(c) No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transactions, and the performance by Seller, NRM, and each Company of their respective obligations hereunder do not, and will not, result in or constitute: (i) a violation of or conflict with any provision of the organizational or other governing documents of Seller, NRM, or either Company, (ii) except as set forth on Schedule 5(c) of the Disclosure Schedule, a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become, a material default under, any term or provision of any Material Contract to which it is a party, (iii) a violation by Seller, NRM, or either Company of any Applicable Law; or (iv) an imposition of any Lien (other than a Permitted Liens) on any of the NRM Common Stock, the Company Interests, or any of the assets of NRM or the Companies.

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(d) Consents and Approvals. Subject to obtaining any third-party approvals expressly required herein and except as set forth on Schedule 5(d) of the Disclosure Schedule, (i) NRM has or will have on or before the Closing Date, the full and unrestricted power to complete the Merger with Merger Sub; (ii) Seller has or will have on or before the Closing Date, the full and unrestricted power to sell, convey, assign, transfer and deliver the Company Interests to Buyer on the Closing Date, and (iii) no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by Seller, NRM or either Company in connection with the execution, delivery and performance of this Agreement and the consummation of the Transactions or will be necessary to ensure the continuing validity and effectiveness immediately following the Closing Date of any Permit or Material Contract of NRM or either Company, as applicable.

(e) Investment - Parent Common Stock. Seller understands that the Parent Common Stock have not been registered under the Securities Act or any other applicable state or Canadian securities laws (collectively, "**Securities Laws**"), and that the Parent Common Stock are being offered and issued pursuant to an exemption from registration pursuant to the Securities Laws. Seller acknowledges that Parent and Buyer will rely on Seller's representations, warranties and certifications set forth below for

purposes of determining Seller's suitability as an investor in the Parent Common Stock and for purposes of confirming the availability of any exemption from registration requirements. Seller has received all the information Seller considers necessary or appropriate for deciding whether to acquire the Parent Common Stock. Seller understands the risks involved in an investment in the Parent Common Stock pursuant to the transactions contemplated by this Agreement. Seller further represents that Seller has had an opportunity to ask questions and receive answers from Parent regarding the Parent Common Stock and the business, properties, prospects, and financial condition of Parent and Buyer, and to obtain such additional information (to the extent Parent or Buyer possessed such information or could acquire it without unreasonable effort or expense) necessary to assist the Seller in verifying the accuracy of any information furnished to such Seller or to which such Seller had access. Seller has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of an investment in the Parent Common Stock. Seller is purchasing the Parent Common Stock for its own account and not for the benefit of any other Person, and not with a view towards their resale or distribution (as such terms are defined or interpreted in connection with the Securities Laws). The certificates representing the Parent Common Stock (and any replacement certificate issued prior to the expiration of the applicable hold periods), or ownership statements issued under a direct registration system or other electronic book-based or book-entry system, will bear the following legends or substantially similar legends in accordance with the Securities Laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND MAYNOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF EXCEPT (A)OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE 1933 ACT, (B)IN COMPLIANCE WITH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER,IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE US STATE SECURITIES LAWS, (C)IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE US STATE LAWS, OR (D)IN A TRANSACTION THAT IS REGISTERED UNDER THE 1933 ACT, AND, IN THE CASE OF (A), (B)AND (C)ABOVE THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY."

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"DELIVERY OF THIS CERTIFICATE MAYNOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA OR ELSEWHERE. UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [FOUR MONTHS PLUS ONE DAY FOLLOWING CLOSING]."

Seller acknowledges that: (i)it has been provided with the opportunity to consult its own legal advisors with respect to the Parent Common Stock issuable to it pursuant to this Agreement and with respect to the resale restrictions, as applicable, imposed by the applicable Securities Laws; (ii)no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to the Parent Common Stock which restrict the ability of Seller to resell such securities; (iii)Seller is solely responsible to find out what these restrictions, are; (iv)Seller is solely responsible (and the Parent is not in any way responsible) for compliance with applicable resale restrictions; and (v)Seller is aware that it may not be able to resell the Parent Common Stock, except in accordance with limited exemptions under the Securities Laws. Seller acknowledges that Seller may be required to provide the Parent with certain personal information which may be collected for the purposes of completing the issuance of the Parent Common Stock, which includes, without limitation, determining the eligibility of the Seller to acquire the Parent Common Stock under applicable Securities Laws, preparing and registering certificates (if any) representing the Parent Common Stock and completing regulatory filings required by the applicable securities commissions. Accordingly, information of the Seller which is required (in the reasonable discretion of Buyer) to be disclosed by Buyer or Parent may be disclosed to: (A)stock exchanges, securities commissions or other securities regulatory authorities, (B)Parent's transfer agent, or (C)any of the other parties involved in the transactions contemplated by this Agreement who have a need to know such information, including legal counsel. Seller hereby consents to the foregoing collection, use and disclosure of its personal information.

(f) Capitalization. Seller owns one hundred percent (100%) of the issued and outstanding NRM Common Stock and (100%) of the issued and outstanding Company Interests, all free and clear of any restrictions on transfer (except for restrictions imposed by the Securities Laws), Taxes and Liens. The NRM Common Stock has been duly authorized and validly issued by NRM and have been issued in compliance with applicable Securities Laws. The Company Interests have been duly authorized and validly issued by Valiant and McMann, as applicable, and have been issued in compliance with applicable Securities Laws. There are no outstanding equity interests of NRM other than the Common Stock. There are no other equity interests of either Company other than the Company Interests. There are no outstanding convertible or exchangeable securities or options, warrants or other rights relating to the equity interests of NRM or either Company (including, without limitation, any NRM Common Stock or any Company Interests). There are no agreements of any kind relating to the issuance of any equity interests of NRM or either Company (including, without limitation, any NRM Common Stock or any Company Interests), or any convertible or exchangeable securities or any options, warrants or other rights relating to the equity interests of NRM or either of the Companies (including, without limitation, the NRM Common Stock and the Company Interests).

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(g) Brokers' Fees. Except for Greenvision LLC and Canaccord Genuity Corp. (collectively, "Seller's Brokers"), neither Seller, NRM nor either Company has any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions. Seller is responsible for the entire amount of Liabilities owed to Seller's Brokers in connection with the Transactions.

(h) Title to Assets. Except for Permitted Liens, NRM and each Company has good and marketable title to, or a valid leasehold interest in, all of its respective properties and assets free and clear of all Liens.

(i) Subsidiaries. Neither NRM nor either Company has any subsidiaries.

(j) Financial Statements. Schedule 5(j) to the Disclosure Schedule contains the following consolidated and combined financial statements of NRM and the Companies (collectively the "Financial Statements"): (i)unaudited balance sheets and statements of income, changes in members' and stockholders' equity, and cash flow as of and for the fiscal year ended December31, 2020 (the "Most Recent Fiscal Year End"); (ii)unaudited combined and consolidating balance sheets and statements of income, changes in members' and stockholders' equity, and cash flow (the "Most Recent Financial Statements") as of and for the month ended February28, 2021 (the "Most Recent Fiscal Month End"); and (iii)pro forma unaudited balance sheets and statements of income, changes in members' and stockholders' equity, and cash flow as of and for the month ended February28, 2021, excluding [***]. The Financial Statements (including the notes thereto) have been prepared in accordance with GAAP (as modified by NRM's and the Companies' usual and customary accounting practices) throughout the periods covered thereby, present fairly the financial condition of NRM and the Companies, respectively, as of such dates and the results of operations of NRM and the Companies, respectively, for such periods, are materially correct and complete, and are consistent with the books and records of NRM and the Companies, respectively; provided, however, that the Most Recent Financial Statements are subject to normal year-end adjustments (which will not be material individually or in the aggregate).

(k) Events Subsequent to Most Recent Fiscal Year End. Except as set forth onSchedule 5(k)of the Disclosure Schedule, since the Most Recent Fiscal Year End, there has not been any Material Adverse Change to NRM and the Companies (or NRM or either Company individually if such Material Adverse Effect or Material Adverse Change relates to the ability of NRM or the applicable Company to consummate the Transactions). Without limiting the generality of the foregoing, and except as set forth on Schedule 5(k) of the Disclosure Schedule, since that date:

- (i) neither NRM nor either Company has sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for fair consideration in the Ordinary Course of Business;
- (ii) neither NRM nor either Company has entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) either involving more than \$25,000 or outside the Ordinary Course of Business;
- (iii) no party (including NRM and each Company) has accelerated, terminated, modified, or cancelled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) to which NRM or either Company is a party or by which NRM or either Company is bound involving more than \$25,000;
- (iv) neither NRM nor either Company has imposed any Liens upon any of its assets, tangible or intangible;
- (v) neither NRM nor either Company has made any capital expenditure (or series of related capital expenditures) either involving more than \$25,000 or outside the Ordinary Course of Business;
- (vi) neither NRM nor either Company has made any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans, and acquisitions) either involving more than \$25,000 or outside the Ordinary Course of Business;
- (vii) neither NRM nor either Company has issued any note, bond, or other debt security or created, incurred, assumed, or guaranteed any Indebtedness either involving more than \$10,000 singly or \$50,000 in the aggregate;
- (viii) neither NRM nor either Company has delayed or postponed the payment of accounts payable or other Liabilities outside the Ordinary Course of Business;
- (ix) neither NRM nor either Company has cancelled, compromised, waived, or released any right or Claim (or series of related rights and/or Claims) either involving more than \$25,000 or outside the Ordinary Course of Business;
- (x) neither NRM nor either Company has transferred, assigned, or granted any license, sublicense, agreement, covenant not to sue, or permission with respect to its Intellectual Property;
- (xi) neither NRM nor either Company has abandoned, permitted to lapse or failed to maintain in full force and effect any registration of any of its Intellectual Property, or failed to take or maintain reasonable measures to protect the confidentiality or value of any trade secrets included in its Intellectual Property;
- (xii) there has been no change made or authorized in the organizational documents of NRM or either Company;

- (xiii) NRM has not issued, sold, or otherwise disposed of any NRM Common Stock or other NRM equity or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any NRM Common Stock or other NRM equity;
- (xiv) neither Company has issued, sold, or otherwise disposed of any of its respective Company Interests or other respective Company equity or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any of its respective Company Interests or other respective Company equity;
- (xv) neither NRM nor either Company has experienced any material damage, destruction, or loss (whether or not covered by insurance) to its property or assets;
- (xvi) neither NRM nor either Company has made any loan to, or entered into any other transaction with, any of its directors, officers, members or managers;
- (xvii) neither NRM nor either Company has entered into or terminated any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement, or become bound by any collective bargaining relationship;
- (xviii) neither NRM nor either Company has granted any increase in the base compensation of any of its directors, officers, managers or members;
- (xix) neither NRM nor either Company has adopted, amended, modified, or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, managers or members;
- (xx) neither NRM nor either Company has made any other change in employment terms for any of its directors, officers, managers or members;
- (xxi) neither NRM nor either Company has implemented any employee layoff or plant closing implicating or that could implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state, local, or non-U.S. law, regulation, or ordinance;
- (xxii) neither NRM nor either Company has made or pledged to make any charitable or other capital contribution outside the Ordinary Course of Business;
- (xxiii) neither NRM nor either Company has discharged a material Liability or Lien outside the Ordinary Course of Business;
- (xxiv) neither NRM nor either Company has made any loans or advances of money;
- (xxv) neither NRM nor either Company has taken any action that would reasonably be expected to prevent or materially delay the consummation of the Transaction;

(xxvi) neither NRM nor either Company has formed any new funds, partnerships or joint ventures;

(xxvii) there has not been any Material Adverse Change to NRM and the Companies, or NRM or either Company individually if such Material Adverse Effect or Material Adverse Change relates to the ability of NRM or the applicable Company to consummate the Transactions;

(xxviii) neither Seller, NRM nor either Company has disclosed any Confidential Information of NRM or any Company to any unaffiliated third party without a non-disclosure agreement in place; and

(xxix) neither Seller, NRM nor either Company has committed to do any of the foregoing.

(l) Undisclosed Liabilities. Except for Liabilities solely between or among NRM and the Companies, neither NRM nor either Company has any Liability to Seller or any other Person (and to the Knowledge of Seller, NRM, and each Company there is no basis for any present or future Claim against any of them giving rise to any Liability) by any Person, except for: (i) Liabilities set forth on the Most Recent Balance Sheet, and (ii) Liabilities that have arisen after the Most Recent Fiscal Month End in the Ordinary Course of Business and which are not, individually or in the aggregate, material in amount (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract, breach of warranty, tort, infringement, or violation of Applicable Law).

(m) Legal Compliance; Permits.

(i) NRM, the Companies, and their respective predecessors and Affiliates have complied and are currently in substantial compliance with all Applicable Laws and Permits, and to the Knowledge of Seller, NRM, and each Company, no Claim has been filed or commenced against any of them alleging any failure so to comply.

(ii) NRM and each Company holds in good standing all Permits required for the lawful conduct of their respective businesses within the Commonwealth of Massachusetts and corresponding local jurisdictions, as presently conducted, or necessary for the lawful ownership and/or lease of their properties and assets or the operation of their businesses as presently conducted. No notices have been received by Seller, NRM or either Company alleging the failure to hold any Permit from any Governmental Authority. No violations have been experienced, noted or recorded against Seller, NRM or either Company or any Permits held by any of NRM or either Company. All Permits held by NRM and each Company are in full force and effect. NRM and each Company is in compliance with all terms and conditions of all its respective Permits and is not subject to any current, pending or Claim with respect to any Permits (including, without limitation, those threatening to revoke or limit any of the Permits held by NRM or either Company) and neither Seller, NRM nor either Company has any Knowledge of any valid basis for any of the foregoing. Any application for the renewal or extension of any Permit which is due prior to the Closing Date shall be timely made or filed by Seller, NRM and/or the applicable Company, as necessary, at Seller's NRM's and/or the applicable Company's sole expense, with Buyer's assistance, prior to the Closing Date.

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(iii) Schedule 5(m)(iii) of the Disclosure Schedule identifies all Permits held by NRM or either Company and which is currently in effect, and specifies the Person that holds each Permit. Buyer has been supplied with a correct and complete copy of each Permit issued to NRM or either Company and which is currently in effect.

(iv) Seller, NRM and each Company have duly and timely filed and complied with all Applicable Laws relating to reports, certifications, declarations, individuals and/or entities with direct or indirect control (as those terms are defined in and by the Massachusetts Cannabis Laws) disclosures, statements, information or other filings submitted or to be submitted to any Governmental Authority, and all such submissions or filings were true and complete when submitted or filed and, to the extent required by an Applicable Laws, have been updated properly and completely.

(v) Neither NRM, either Company nor any Representative or other Person acting or purporting to act on behalf of NRM or either Company has directly or indirectly: (A) given or agreed to give any bribe, kickback, political contribution or other illegal payment from corporate funds, (B) used any of its funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (C) made any direct or indirect unlawful payment to any domestic government official or employee from its funds; (D) established or maintained any unrecorded fund or asset, (E) concealed or mischaracterized an illegal or unauthorized payment or receipt, (F) knowingly made a false entry in the business records or (G) committed or participated in any act which is illegal or could subject NRM, either Company, Buyer or any of Buyer's Affiliates (including without limitation Parent) to fines, penalties or other sanctions.

(n) Taxation.

(i) Except as set forth on Schedule 5(n)(i) of the Disclosure Schedule, (A) all Tax Returns relating to NRM or either Company has been timely filed, (B) all such Tax Returns are true, correct and complete in all material respects (including without limitation in compliance with Section 280E of the Code), (C) all Taxes required to have been withheld and paid by NRM or either Company, or by Seller with respect to the Disregarded Entity Businesses in connection with amounts paid or owing to any employee, independent contractor, creditor, member or other third party have been properly withheld and paid, and all Forms W-2 and 1099 (or similar Tax Return) required with respect thereto have been properly completed and filed, (D) all Taxes required to have been paid by NRM or either Company or by Seller with respect to the Disregarded Entity Businesses (whether or not shown on any Tax Return) have been paid (and such Taxes have been paid consistent with Section 280E of the Code), (E) none of Seller, NRM nor either Company has executed any waiver of any statute of limitations or any extension of the period for the assessment or collection of any Tax with respect to NRM, either Company or the Disregarded Entity Businesses, (F) no written notice has been received by NRM, either Company or Seller with respect to the Disregarded Entity Businesses and no Claim has been made within the past five (5) years by any Governmental Authority in any jurisdiction where NRM or either Company do not file Tax Returns that NRM or either Company is or may be subject to taxation by that jurisdiction, (G) there is no Claim concerning any Tax liability of NRM or either Company or with respect to the Disregarded Entity Businesses either claimed or raised by any Governmental Authority in writing, and (H) neither Seller, NRM nor either Company has waived any Tax related statute of limitations with respect to NRM, either Company or the Disregarded Entity Businesses which period (after giving effect to such waiver) has not yet expired.

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(ii) The Most Recent Balance Sheet reflects Liabilities and reserves (in accordance with GAAP, as modified by NRM's and the Companies' usual and customary accounting practices) for all Taxes of NRM and each Company through the date of the Most Recent Financial Statements.

(iii) Neither NRM nor either Company is a party to, or bound by, or has any obligation under or potential Liability with respect, any Tax allocation, Tax sharing or Tax indemnification agreement or similar contract or arrangement. Neither NRM nor either Company has any Liability for Taxes of any other Person under the Code or any provisions of any Applicable Law, as a transferee or successor, or by any contract which deals primarily with Taxes. There are no Liens for Taxes (other than Permitted Liens), upon the assets of NRM or either Company or upon the NRM Common Stock or any Company Interests.

(iv) Neither NRM nor either Company has filed, and does not have pending, any ruling requests with any taxing authority, including any request to change any accounting method.

(v) Neither NRM nor either Company has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(vi) At all times since their dates of organization, (1) Neither NRM nor either Company has been a member of an affiliated group (as defined in Section 1504(a) of the Code or corresponding provision of state, local or non-U.S. Applicable Law) or filed or been included in a consolidated, combined or unitary federal or state income Tax Return (other than a consolidated, combined or unitary Tax Return of which a Company was the common parent), and (2) Neither NRM nor either Company has had any Liability for the Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. Tax Law), as a transferee or successor, by contract or otherwise.

(vii) At all times since their dates of organization, McMann and Valiant have been classified under Treasury Regulation Section 301.7701-2(a) as disregarded entities for federal and state income Tax purposes,

(viii) Neither NRM, either Company nor Buyer will be required to include any amount in, or exclude any item of deduction from, income for any Tax period ending after the Closing Date as a result of a change in accounting method made in any Pre-Closing Tax Period with respect to any such Pre-Closing Tax Period. Except as set forth in Schedule 5(n)(viii) of the Disclosure Schedule, neither NRM, either Company nor Buyer will be required to include in any Tax period or portion thereof after the Closing Date any item of income that accrued in a Pre-Closing Tax Period but was not recognized in any Pre-Closing Tax Period as a result of the installment method of accounting, the completed contract method of accounting, the long-term contract method of accounting, the cash method of accounting, a change in method of accounting for a taxable period ending on or before the Closing Date, use of any improper method of accounting for a taxable period ending on or before the Closing Date, an election under Section 108(i) of the Code, any prepaid amount received or paid on or prior to the Closing Date by NRM or either Company, or a “closing agreement” as described in Section 7121 of the Code (or any corresponding provision of state, local, or non-U.S. Tax Law) executed on or before the Closing Date.

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(ix) Neither NRM, either Company nor Seller has consummated or participated in, or is currently participating in, any transaction which was or is a “Tax shelter,” “listed transaction” or “reportable transaction” as defined in Sections 6662, 6662A, 6011, 6111 or 6707A of the Code or the Treasury Regulations promulgated thereunder, including, but not limited to, transactions identified by the IRS by notice, regulation or other form of published guidance as set forth in Treasury Regulation § 1.6011-4(b)(2). Seller, NRM and each Company have disclosed on their Tax Returns all positions taken therein that could give rise to a substantial understatement penalty under Code Section 6662 or any similar provision of other Applicable Law and are in possession of supporting documentation as may be required under any such provision.

(x) Schedule 5(n)(x) of the Disclosure Schedule lists all material Tax holidays, abatements, exemptions, incentives and similar grants made or awarded to NRM or either Company by any Tax authority or other Governmental Authority, and NRM and each Company has complied, in all material respects, with all terms and conditions related thereto, does not have any outstanding Tax Liabilities thereunder and will not incur any Liabilities thereunder as a result of the Transaction.

(xi) Neither NRM nor either Company has, nor have they ever had, a permanent establishment in any country outside the United States, nor have NRM or either Company been subject to Tax in a jurisdiction outside the United States. Neither NRM nor either Company has entered into a gain recognition agreement pursuant to Treasury Regulation Section 1.367(a)-8. Neither NRM nor either Company has transferred an intangible, the transfer of which would be subject to the rules of Section 367(d) of the Code.

(xii) The Seller is a “United States person” as such term is used in Section 1445 of the Code.

(xiii) Neither NRM, either Company nor Seller has, directly or indirectly, sought, pursued, applied for, obtained, received, accepted or otherwise availed itself of any loan, grant, funding, tax benefit or other benefit, relief or assistance under (A) the CARES ACT; (B) any government program established or expanded thereunder, related thereto or funded thereby; or (C) any other legislation enacted, any rule or regulation promulgated, or any other program established or expanded, by any Governmental Authority in connection with, or in response to, COVID-19 or designed to provide economic or other benefit, relief or assistance to Persons in connection therewith or in relation thereto, including without limitation: (1) the U.S. Small Business Administration’s Economic Injury Disaster Loan program; (2) the U.S. Small Business Administration’s Paycheck Protection Program; and (3) any program or facility established or expanded by the Federal Reserve in response to COVID-19, including without limitation the Main Street Lending Program, the Main Street New Loan Facility, the Main Street Priority Loan Facility, the Main Street Expanded Loan Facility, the Primary Market Corporate Credit Facility and the Secondary Market Corporate Credit Facility.

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(o) Real Property.

(i) NRM does not have any Owned Real Property. Schedule 5(o)(i) of the Disclosure Schedule sets forth the addresses of all Owned Real Property of each Company. Other than as set forth on Schedule 5(o)(i) of the Disclosure Schedule (which shall be satisfied and removed as of Closing), each Company has good and marketable indefeasible fee simple title to their respective Owned Real Property, free and clear of any Liens other than Permitted Liens. Each Company has delivered to Buyer accurate and complete copies of: (A) all deeds and other instruments (as recorded) by which such Company acquired its interests in the Owned Real Property; (B) all title reports, surveys, zoning reports and title policies with respect to the Owned Real Property; and (C) all agreements granting purchase options, rights of first offer or rights of first refusal in favor of any other Person with respect to the Owned Real Property. Other than as set forth on Schedule 5(o)(i) of the Disclosure Schedule, there are no outstanding options, rights of first offer or rights of first refusal to purchase any Owned Real Property or any portion thereof or interest therein. Neither NRM nor either Company is a party to any written or oral contract or agreement, or has or has granted an option to purchase any Owned Real Property or interest therein.

(ii) NRM leases all of its Leased Real Property from Valiant. Schedule 5(o)(ii) of the Disclosure Schedule sets forth an accurate and complete description (by street address of the subject leased real property, the date of the lease, sublease, license or other occupancy right and the name of the parties thereto) of all Leased Real Property of NRM and each Company. NRM and each Company hold valid leasehold or subleasehold interests in their respective Leased Real Property, free and clear of any Liens other than Permitted Liens. Each Lease is legal, valid, binding, enforceable and in full force and effect. NRM and each Company has delivered to Buyer accurate and complete copies of: (A) all Leases relating to the Leased Real Property, and in the case of any oral Lease, a summary of the material terms of such Lease and (B) all title reports, zoning reports, surveys and title policies in the possession or control of NRM or either Company with respect to the Leased Real Property. Neither NRM nor either Company is in breach or default under any such Lease, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Lease. NRM’s and each Company’s possession and quiet enjoyment of their respective Leased Real Property under such Leases has not been disturbed and, to the Knowledge of Seller, NRM, and each Company, there are no disputes with respect to any such Leases. Neither NRM nor either Company has exercised or given any notice of exercise of, nor has any lessor or landlord exercised or given any notice of exercise by such party of, any option, right of first offer or right of first refusal contained in any such Lease. The rental rate set forth in each Lease of the Leased Real Property is the actual rental rate being paid, and there are no separate agreements or understandings with respect thereto. Each Lease of the Leased Real Property grants the tenant or subtenant under the Lease the exclusive right to use and occupy the demised premises thereunder.

(iii) Except as set forth on Schedule 5(o)(iii) of the Disclosure Schedule: (A) NRM and each Company are in possession of their respective Owned Real Property and Leased Real Property; and (B) to the Knowledge of Seller, NRM, and each Company, there are no contractual or legal restrictions that preclude or restrict the ability of NRM or either Company to use its Owned Real Property or Leased Real Property for the purposes for which it is currently being used. Except as set forth on Schedule 5(o)(iii) of the Disclosure Schedule, neither NRM nor either Company has leased, subleased, licensed or otherwise granted to any Person the right to use or occupy any portion of their respective Owned Real Property or Leased Real Property.

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(iv) To the Knowledge of Seller, NRM, and each Company, all buildings, structures, fixtures and other improvements included on the Real Property (collectively, the “**Improvements**”) are in material compliance with all Applicable Laws. To the Knowledge of Seller, NRM and each Company, no part of any Improvement encroaches on, or otherwise conflicts with the property rights of any Person in and to any real property not included in the Real Property, and there are no buildings, structures, fixtures or other improvements primarily situated on adjoining property which encroach on any part of the Real Property, or otherwise conflict with the property rights of NRM or either Company. Each parcel of Real Property: (i) abuts on and has direct vehicular access to an improved public road or has access to an improved public road via a permanent, irrevocable, appurtenant easement improved with a road benefiting such parcel of Real Property and comprising a part of the Real Property; and (ii) is supplied with public or quasi-public utilities and other services appropriate for the operation of the Improvements located on such parcel and the operation of NRM’s or either Company’s businesses thereon. To the Knowledge Seller, NRM and each Company, there is no existing, proposed or threatened eminent domain or other public acquisition Claim that would result in the taking of all or any part of any Real Property or that would prevent or hinder the continued use and enjoyment of any Real Property as heretofore used by the applicable Company.

(v) To the Knowledge of Seller, NRM and each Company, all of the Improvements are in good operating condition and repair and suitable for their purpose (ordinary wear and tear excepted). The Improvements are suitable for the purposes for which they are being used by the applicable Company and have been maintained in accordance with normal industry practice. The Real Property constitutes all such property used in or necessary to conduct the businesses of NRM and each Company.

(p) Intellectual Property.

(i) Except as set forth on Schedule 5(p)(i) of the Disclosure Schedule, NRM and each Company owns all right, title and interest in and to, or has a valid and enforceable license to use all the Intellectual Property used by it in connection with its respective businesses, and such Intellectual Property represents contains all the Intellectual Property rights necessary to the conduct of its business as presently conducted. The conduct of the businesses of NRM and each Company as presently conducted or contemplated does not conflict with or infringe any Intellectual Property right or other proprietary right of any third party, including, without limitation, the transmission, reproduction, use, display or modification of any content or material (including framing, and linking web site content) on a web site, bulletin board or other like medium hosted by or on behalf of NRM and each Company. There is no Claim pending or threatened against NRM or either Company: (i) alleging any such conflict or infringement with any third party’s Intellectual Property or other proprietary rights; or (ii) challenging NRM’s or a Company’s ownership or use of, or the validity or enforceability of any of NRM’s or either Company’s owned or licensed Intellectual Property.

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(ii) Schedule 5(p)(ii) of the Disclosure Schedule sets forth a complete and current list of registered trademarks or copyrights, issued patents, applications thereof, or other forms of Intellectual Property registration anywhere in the world that is owned by NRM or either Company (the “**Listed Intellectual Property**”) and the owner of record, date of application or issuance and relevant jurisdiction as to each. All Listed Intellectual Property is owned by NRM or the Company noted on Schedule 5(p)(ii) free and clear of any Liens. All Listed Intellectual Property is valid, subsisting, unexpired, in proper form and enforceable and all renewal fees and other maintenance fees that have fallen due on or prior to the Effective Date have been paid. No Listed Intellectual Property is the subject of any Claim before any Governmental Authority in any jurisdiction, including any office action or other form of preliminary or final refusal of registration, except as noted on Schedule 5(p)(ii) of the Disclosure Schedule. The consummation of the Transactions will not alter or impair or cause any other Adverse Consequence in any material respect with regard to any Listed Intellectual Property.

(iii) Except as disclosed on Schedule 5(p)(iii) of the Disclosure Schedule, neither NRM nor either Company is under any obligation to pay royalties or other payments in connection with any Intellectual Property used by such entity in the conduct of its business as presently conducted or contemplated.

(iv) Except as disclosed on Schedule 5(p)(iv) of the Disclosure Schedule, no present or former Representative of NRM or either Company holds any right, title or interest, directly or indirectly, in whole or in part, in or to any Intellectual Property that is owned or licensed by NRM or either Company.

(v) Except as disclosed on Schedule 5(p)(v) of the Disclosure Schedule: (A) none of the Listed Intellectual Property has been used, disclosed or appropriated to the detriment of NRM or either Company or for the benefit of any Person other than NRM or either Company; and (B) no Representative of NRM or either Company has misappropriated any Intellectual Property, trade secrets or other confidential information of any other Person in the course of the performance of his or her duties as a Representative of NRM or either Company.

(vi) Except as disclosed on Schedule 5(p)(vi) of the Disclosure Schedule, any programs, modifications, enhancements or other inventions, improvements, discoveries, methods or works of authorship (“**Works**”) that were created by employees or contractors of NRM or either Company were made in the regular course of such employees’ or contractor’s employment or service relationships with NRM or either Company using NRM’s or either Company’s facilities and resources and, as such, constitute works made for hire or all rights and title in and to such Works have been fully and irrevocably assigned to NRM or the applicable Company.

(q) Tangible Assets.

(i) Schedule 5(q)(i) of the Disclosure Schedule sets forth: (A) a list of each item of Tangible Personal Property owned by NRM or either Company and having a book value of more than \$5,000, and (B) a list of each item of Tangible Personal Property leased by NRM or either Company, in each case, exclusive of the motor vehicles separately scheduled in subparagraph (iii) below. Except as set forth on Schedule 5(q)(i) of the Disclosure Schedule: (1) all Tangible Personal Property owned by NRM or either Company is free and clear of any Liens other than Permitted Liens; (2) NRM and each Company has good and marketable title to all Tangible Personal Property owned by it; (C) all leases governing Tangible Personal Property held by NRM or either Company is in full force and effect; (D) all of the Tangible Personal Property of NRM and each Company, whether owned or leased, is located at the Real Property;

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(ii) Except as set forth on Schedule 5(q)(ii) of the Disclosure Schedule, the Tangible Personal Property is, taken as a whole, in reasonable working order and adequate for its designed use, subject to ordinary wear and tear and normal repairs and replacements.

(iii) Schedule 5(q)(iii) of the Disclosure Schedule sets forth a list of all motor vehicles owned or leased by NRM or either Company as of the date hereof, including the name of the Person that owns any such leased vehicle, the model year and the corresponding serial or identification number, if any.

(r) Inventory; No Product Recalls. Except as set forth on Schedule 5(r) of the Disclosure Schedule: (i) all of the Inventory of NRM and each Company is owned by it, free and clear of any Liens other than Permitted Liens and is located at the Real Property; (ii) no material amount of Inventory is on consignment; (iii) the Inventory as reflected in the Financial Statements has been valued in accordance with GAAP (as modified by NRM's and the Companies' usual and customary accounting practices); and (iv) all Inventory used to calculate the NRM Estimated Closing Net Working Capital and the Companies Estimated Closing Net Working Capital shall be of materially similar quality to the Inventory held or sold by NRM or the applicable Company prior to the Closing Date in the Ordinary Course of Business. The levels of Inventory are consistent in all material respects with the levels of Inventory that have been maintained by NRM and each Company before the Effective Date in the Ordinary Course of Business and consistent with past practices in light of seasonal adjustments, market fluctuations and the requirements of customers of their respective businesses. All cannabis Inventory produced by NRM was cultivated, harvested, produced, tested, handled and delivered in accordance with all Applicable Law. Neither Company has produced any cannabis Inventory. NRM has not used any substance, including but not limited to pesticides, in any amount prohibited by Applicable Laws in the states and localities in which it operates at any stage of the cultivation, harvesting, handling, storage or delivery of Inventory. NRM has performed (or caused to be performed by third parties) all tests and obtained all test certificates and certificates of ingredients required by Applicable Law, including but not limited to tests for microbials, contaminants, residuals, and pesticides. All Finished Goods Inventory sold by NRM has been produced, packaged and labelled in accordance with all Applicable Laws in all respects and, if meant for human consumption, was fit for human consumption, not adulterated or misbranded and free of any defects. Except as set forth on Schedule 5(r) of the Disclosure Schedule, since the Most Recent Fiscal Year End, NRM has not sold, transferred or assigned any Other Inventory to any Person or removed any Other Inventory from the Real Property where such Other Inventory is located, prior, in each instance to it being processed into or used in connection with Finished Goods Inventory. No recalls or withdrawals of products distributed or sold by NRM have been required or suggested by a Governmental Authority and, to the Knowledge of Seller, NRM, and each Company, no facts or circumstances exist that could reasonably be expected to result in any such recall or withdrawal.

(s) Contracts. Schedule 5(s) of the Disclosure Schedule lists the following written or oral contracts and other agreements (each a "Material Contract") which are in effect as of the Effective Date and to which NRM or either Company is a party or by which NRM or either Company is bound (other than contracts or agreements: (A) exclusively between or among NRM and the Companies; or (B) involving payment of, or receipt of, services, products or consideration of less than \$25,000 in the aggregate per year and which are not Related Party Agreements):

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- (i) any agreement (or group of related agreements) for the lease of Tangible Personal Property to or from any Person;
- (ii) any agreement (or group of related agreements) for the purchase or sale of supplies, products, or other Tangible Personal Property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one (1) year or could result in a loss to NRM or either Company;
- (iii) any agreement concerning a partnership or joint venture;
- (iv) any agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any Indebtedness for borrowed money, or any capitalized lease obligation, under which it has imposed a Lien on any of its assets, tangible or intangible;
- (v) any Related Party Agreement;
- (vi) any agreement concerning confidentiality, non-competition or non-solicitation;
- (vii) any profit sharing, membership interest option, membership interest purchase, membership interest appreciation, deferred compensation, severance, or other plan or arrangement for the benefit of its current or former directors, officers, members or managers;
- (viii) any collective bargaining agreement, labor peace agreement or similar agreement;
- (ix) any agreement for the employment or engagement as an independent contractor of any individual on a full-time, part-time, consulting, or other basis providing annual compensation or providing severance benefits;
- (x) any agreement under which it has advanced or loaned money to any Person, including, without limitation, Seller, or any Representative of Seller;
- (xi) any agreement under which the consequences of a default or termination could have a Material Adverse Effect;
- (xii) any settlement, conciliation or similar agreement with any Governmental Authority or which will require satisfaction of any obligations after the date hereof;
- (xiii) any agreement, license or other contract under which (A) Seller, NRM or a Company has licensed or otherwise granted rights in any of NRM's or either Company's Intellectual Property to any Person, or (B) any Person has licensed or sublicensed to NRM or a Company, or otherwise authorized NRM or either Company to use, any third-party Intellectual Property (other than licenses of internally used off-the-shelf or shrinkwrap software);

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- (xiv) any agreement relating to any Employee Benefit Plan;
- (xv) any employment, consulting or sales or leasing representative agreement not cancelable by NRM or a Company without penalty upon ninety (90) days or less written notice;
- (xvi) any settlement agreement or other agreement in respect of any past or present Claim;
- (xvii) any Applications;
- (xviii) any agreement providing for indemnification by NRM or a Company other than pursuant to standard terms of contracts in the Ordinary Course of Business;
- (xix) any other agreement (or group of related agreements) the performance of which involves consideration in excess of \$25,000.

Seller has delivered to Buyer a correct and complete copy of each written agreement (as amended to date) listed in Schedule 5(s) of the Disclosure Schedule and a written summary setting forth the terms and conditions of each oral agreement referred to in Schedule 5(s) of the Disclosure Schedule. With respect to each such agreement, except as set forth in Schedule 5(s) of the Disclosure Schedule: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect (except as such enforcement may be limited by Enforceability Limitations); (B) the agreement will continue to be legal, valid, binding, enforceable, and in full force (except as such enforcement may be limited by Enforceability Limitations) and effect on identical terms following the consummation of the transactions contemplated hereby; (C) neither NRM nor either Company that is a party to such agreement is in breach or default thereof, and no event has occurred that with notice or lapse of time would constitute a breach or default by such entity, or permit termination, modification, or acceleration, under the agreement by any other party thereto; (D) to the Knowledge of Seller, NRM and each Company, no third-party to such agreement is in material breach or default thereof, and no event has occurred that with notice or lapse of time would constitute a material breach or default by such third-party, or permit termination, modification, or acceleration, under the agreement by NRM or the Company that is a party to such agreement; and (E) the agreement is not under negotiation (nor has written demand for any negotiation been made) and no party has repudiated any provision of the agreement. To the extent any Material Contract constitutes an Application, such Material Contract has been disclosed to Buyer in its entirety and in "as submitted" form (inclusive of all final drafts submitted and any drafts, variances, preliminary or non-final submissions), with personally identifiable information redacted.

(t) Notes and Accounts Receivable. All notes and other Accounts Receivable of NRM and each Company are reflected properly on their books and records, are valid receivables subject to no setoffs or counterclaims, are current and collectible, and will be collected in accordance with their terms at their recorded amounts, subject only to the reserve for bad debts set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of NRM or the applicable Company.

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(u) Bank Accounts; Powers of Attorney. Schedule 5(u) of the Disclosure Schedule contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by NRM and each Company and all Persons entitled to draw thereon, to withdraw therefrom or with access thereto, a description of all lock box arrangements of each and a description of all powers of attorney granted by each.

(v) Insurance. Schedule 5(v) of the Disclosure Schedule contains a complete and accurate list of all current policies or binders of insurance (showing as to each policy or binder the carrier, policy number and a general description of the type of coverage provided) maintained by NRM or either of the Companies and relating to their respective businesses and/or properties, assets, operations and personnel. Except as set forth on Schedule 5(v) of the Disclosure Schedule, all of the insurance is "occurrence" based insurance. Subject to the Enforceability Limitations, the insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of Applicable Law and of all contracts to which NRM or either Company is a party. Neither NRM nor either Company is in material default under any of the insurance, and neither NRM nor either Company has failed to give any notice or to present any claim under any of the insurance in a timely manner. No notice of cancellation, termination, reduction in coverage or material increase in premium (other than reductions in coverage or increases in premiums in the Ordinary Course of Business) has been received with respect to any of the insurance, and all premiums with respect to any of the insurance have been paid. Except as disclosed on Schedule 5(v) of the Disclosure Schedule, neither NRM nor either Company has experienced claims in excess of current coverage of the Insurance. Except as disclosed on Schedule 5(v) of the Disclosure Schedule, there will be no material retrospective insurance premiums or charges or any other similar adjustment on or with respect to any of the insurance held by NRM or either Company for any period or occurrence through the Closing Date.

(w) Transactions with Certain Persons. Except as set forth on Schedule 5(w) of the Disclosure Schedule, neither NRM nor either Company is a party to any Related Party Agreements. Except as set forth on Schedule 5(w) of the Disclosure Schedule, NRM and each Company own all assets, tangible or intangible, that are necessary to operate the businesses of NRM and each Company, as applicable, and neither Seller nor any third party owns any asset, tangible or intangible, that is necessary to operate the businesses of NRM or either Company.

(x) Litigation. Except as set forth on Schedule 5(x) of the Disclosure Schedule, there is no Claim pending or threatened that: (i) involves NRM, either Company, any of their respective Representatives, or the properties, assets or businesses of any of the foregoing; or (ii) involves Seller or its Affiliates (other than NRM or either Company) that could reasonably be expected to have a Material Adverse Effect on the ability of the Seller, NRM or either Company to consummate the Transaction.

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(y) Employees.

(i) Schedule 5(y)(i) of the Disclosure Schedule contains a correct and complete list of the employees and independent contractors of Seller, NRM and each Company as of the date hereof, including: (A) each such Person's name, job title or function and job location; (B) whether such Person is subject to an employment agreement or consulting agreement; (C) a true, correct and complete listing of his or her current salary or wage payable by Seller, NRM or the applicable Company, including any bonus, contingent or deferred compensation payable to such Person; (D) the total compensation paid by Seller, NRM or the applicable Company to each such Person for the fiscal year ending December 31, 2020, including any bonus, contingent or deferred compensation; (E) the amount of accrued but unused vacation time; (F) such Person's current status (as to leave or disability status, employee or independent contractor, full time or part time, and exempt or nonexempt); and (G) [***]. Neither Seller, NRM nor either Company is delinquent in payments to any of their respective employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it or amounts required to be reimbursed to such employees, consultants or independent contractors. Buyer has been supplied with a correct and complete copy of each employment or consulting agreement entered into with an employee or independent contractor listed on Schedule 5(y)(i) of the Disclosure Schedule. Seller, NRM and each Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification and collective bargaining.

(ii) All individuals presently characterized and treated by Seller, NRM or either Company as an independent contractor or consultant are properly characterized as independent contractors under all Applicable Laws, and all employees of Seller, NRM or either Company presently classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are reasonably classified as such.

(iii) To Seller's Knowledge, no key personnel of Seller, NRM or either Company has any plans to terminate such Person's employment or other relationship with Seller, NRM or the applicable Company, and all employees of Seller, NRM and each Company are over the age of twenty-one (21).

(iv) Neither Seller, NRM nor either Company is subject to any labor union or collective bargaining agreement and no such agreement is currently being negotiated by or involving Seller, NRM or either Company. Neither Seller, NRM nor either Company has had: (A) any unfair labor practice charge or complaint against it in respect of its business that is pending or threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, (B) any material labor relations problems, including any material grievances, strikes, lockouts, disputes, request for representations, union organization activities (including but not limited to union organization campaigns or requests for representation), slowdowns or stoppages pending, threatened or anticipated in respect of its business and there have been no strikes, lockouts, disputes, union organization activities (including but not limited to union organization campaigns or requests for representation), slowdowns or stoppages, or (C) any pending, threatened or anticipated Claims that involve the labor or employment relations of Seller, NRM or either Company, including but not limited to, issues relating to employment discrimination, wages and hours, or occupational health and safety.

(v) Except as set forth in Schedule 5(y)(v) of the Disclosure Schedule, neither Seller, NRM nor either Company is a party or threatened to be made a party to any Claim brought by or on behalf of any employee, former employee, independent contractor, or former independent contractor of Seller, NRM or either Company, including but not limited to any of the following: (A) wrongful termination, (B) breach of employment agreement, (C) unpaid wages or hours, (D) workplace harassment or discrimination, (E) workers' compensation, (F) unemployment insurance, or (G) any investigation or enforcement action brought or threatened to be brought by the United States Department of Labor or any similar state or local Governmental Authority.

(z) Employee Benefits.

(i) Schedule 5(z)(i) of the Disclosure Schedule sets forth a list of: (A) all ERISA Affiliates of Seller, NRM and each Company; and (B) all "employee benefit plans" as defined by Section 3(3) of ERISA, and all other employment, bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock appreciation, restricted stock, stock option, "phantom" stock, performance, retirement, thrift, savings, stock bonus, paid time off, perquisite, fringe benefit, vacation, severance, change-in-control, disability, accident, death benefit, hospitalization, health, medical, vision, insurance, welfare benefit or other plan, program, policy, practice, arrangement or contract agreement of Seller, NRM and each Company or under which Seller, NRM or either Company or any ERISA Affiliate of Seller, NRM or either Company has (or could have) any Liability (whether or not subject to ERISA).

(ii) No Employee Benefit Plan is intended to be qualified under Section 401(a) of the Code or is subject to Title IV of ERISA or Section 412 of the Code and Seller, NRM and each Company and its ERISA Affiliates have no Liability under Title IV of ERISA or with respect to any Multiemployer Plan.

(iii) With respect to each Employee Benefit Plan:

(A) all contributions, premiums, fees or charges due and owing to or in respect of the Employee Benefit Plan, have been paid in accordance with the terms of the Employee Benefit Plan and Applicable Law;

(B) all such payments accrued to date as Liabilities which have not been paid have been and will be properly recorded on the Financial Statements;

(C) no Taxes, penalties or fees are owing in connection with the Employee Benefit Plan and no compensation shall be includable in the gross income of any employee of Seller or any Company as the result of the operation of Section 409A of the Code;

(D) the Employee Benefit Plan has at all times been operated in material compliance with ERISA, the Code, all other Applicable Laws (including all reporting and disclosure requirements thereunder) and the terms of the Employee Benefit Plan and may be amended or terminated at any time;

(E) no Employee Benefit Plan promises or provides medical, health, life or other welfare benefits to retirees or former employees of Seller, NRM or either Company, or provides severance benefits to employees, except as otherwise required by COBRA or any comparable state statute requiring continuing health care coverage; and

(F) neither the execution of this Agreement nor the consummation of the Transactions will (either alone or upon the occurrence of any additional or subsequent events) constitute an event under any Employee Benefit Plan that will or may result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee of Seller, NRM or either Company.

(iv) NRM and McMann are an "applicable large employer" (as defined in Section 4980H of the Code) in the current calendar year, but neither Seller nor Valiant are members of the "applicable large employer." None of Seller, NRM, McMann or Valiant was an applicable large employer in the immediately preceding three (3) calendar years (and Seller, NRM, McMann and Valiant has confirmed that all employees of Seller, NRM, McMann and Valiant and its ERISA Affiliates were taken into account, as well as any independent contractors reclassified as common law employees of Seller, NRM or any Company, to make such applicable large employer status determination) and Seller, NRM, McMann and Valiant is not subject to any penalties pursuant to Section 4980H(a) and/or Section 4980H(b) of the Code with respect to any month in the current calendar year and immediately preceding three calendar years for either not providing all of Seller's, NRM's, McMann's or Valiant's full-time employees (and their dependents) with the opportunity to enroll in "minimum essential coverage" (as defined under Section 4980H of the Code) under a Seller, NRM, McMann or Valiant group health plan and/or such minimum essential coverage does not satisfy the minimum value or affordability requirements of Section 4980H of the Code.

(aa) Guaranties. Except as disclosed on Schedule 5(aa) of the Disclosure Schedule, neither NRM nor either Company is a guarantor nor is it otherwise liable for any Indebtedness or other Liability of any other Person.

(bb) Data Privacy. No personal information of any natural Person has been collected by NRM or either Company or transferred to third parties in violation of any Data Laws.

(cc) Books and Records. NRM and each Company has made available to Buyer true, correct and complete copies of its organizational documents as currently in effect. The minute books of NRM and each Company contain true, complete and correct records in all material respects of all meetings and other material corporate or limited liability company actions held or taken by the shareholders, directors, officers, members, managers or other governing bodies, as applicable, through the date hereof. All minute books of NRM and each Company have been made available to Buyer. Neither NRM nor either Company is in default under or in violation of any provision of its organizational documents.

(dd) Environmental Matters.

(i) To the Knowledge of Seller, NRM and each Company has complied with, and is currently in material compliance with, all Environmental Laws. Neither NRM nor either Company has received, orally or in writing, any actual or threatened Order or other communication or information of any actual or potential violation or failure by it to comply with any Environmental Law.

(ii) Neither Seller, NRM nor either Company has received any notice, written or oral, that there are any pending or, threatened Claims or Liens resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any Real Property or any other properties or assets (whether real, personal, or mixed) owned or operated by NRM or either Company.

(iii) Other than with respect to commercial cleaning products, fertilizers and other treatments for cannabis crops (to the extent permitted by, and at all times in compliance with, all Applicable Laws), neither NRM nor either Company has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, released, or exposed any Person to, any Hazardous Materials, or owned or operated any property or facility which to the Knowledge of Seller, NRM and each Company is or has been contaminated by any Hazardous Materials, so as to give rise to any current or future Liability pursuant to any Environmental Law.

(iv) Neither NRM nor either Company has assumed, undertaken, or otherwise become subject to, or provided any indemnity with respect to, any Liability pursuant to any Environmental Law of any other Person.

(v) Other than in compliance with all Applicable Laws, neither NRM nor either Company has manufactured, sold, marketed, installed or distributed products or items containing asbestos or silica or other Hazardous Materials and does not have any Liability with respect to the presence or alleged presence of Hazardous Materials in any product or item or at or upon any property or facility (including the Real Property).

(vi) Schedule 5(dd)(vi) of the Disclosure Schedule contains true and correct list of all environmental audits, reports, assessments and other documents in the possession of Seller, NRM or either Company, or under their reasonable control, that materially bear on environmental, health or safety liabilities relating to the past or current operations, facilities or properties (including the Real Property), true and complete copies of which have been made available to Buyer.

(ee) Cannabis Matters. Seller, NRM and each Company hereby make the following representations and warranties relating specifically to cannabis matters:

(i) Each individual with direct or indirect control of the Seller, NRM or either Company is at least twenty-one (21) years of age;

(ii) Seller, NRM and each Company are in compliance with all licensing requirements established by the applicable Governmental Authorities with respect to the Cannabis Licenses and all other applicable Permits;

(iii) No individual and/or entity with direct or indirect control of Seller, NRM or either Company is in violation of the Suitability Standard for Licensure outlined in the Massachusetts Cannabis Laws;

(iv) No individual and/or entity with direct or indirect control of Seller, NRM or either Company has committed any act that would result in the denial, revocation, or suspension of any of the Cannabis Licenses or any other applicable Permit related to commercial cannabis activity in the Commonwealth of Massachusetts pursuant to the Massachusetts Cannabis Laws;

(v) No individual and/or entity with direct or indirect control of Seller, NRM or either Company is in violation of the limitations on the number of cannabis licenses a licensee may be granted pursuant to Section 16 of Chapter 94G of the Massachusetts Cannabis Laws;

(vi) No individual and/or entity with direct or indirect control of Seller, NRM or either Company has had any Permit to conduct commercial cannabis activity suspended or revoked by any Governmental Authority, or has had any application for a Permit to conduct commercial cannabis activity denied;

(vii) No individual and/or entity with direct or indirect control of Seller, NRM or either Company has been determined by a Government Authority to have engaged in any attempt to obtain a Permit to operate a commercial cannabis business in any state of the United States (including without limitation the Commonwealth of Massachusetts) or any locality by fraud, misrepresentation, the submission of false information or the omission of material information.

(ff) Computer and Technology Security. NRM's and each Company's Systems are in commercially reasonable working order in light of its current operations, and NRM and each Company have purchased a sufficient number of license seats for all software currently used by NRM and each Company, as applicable, in such operations. All software currently installed on the Systems is properly licensed and paid for in full. All software used in the conduct and operation of NRM's and each Company's business operations is in good condition and working order, is free of material programming errors, and is sufficient to pursue the activities of NRM's and each Company's business as it is currently conducted. NRM and each Company has taken all reasonable steps to safeguard its Systems, including the implementation of procedures to ensure that its Systems are free from any disabling codes or instructions, timer, copy protection device, clock, counter or other limiting design or routing and any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus," or other software routines or hardware components that in each case permit unauthorized access or the unauthorized disablement or unauthorized erasure of data or other software by a third party, and to date there have been no successful unauthorized intrusions or breaches of any of the Systems. No third-party providing services to NRM or either Company with respect to the Systems has failed to meet any material service obligations. NRM and each Company has taken all reasonable measures to ensure the upkeep of its Systems, and there has not been any material malfunction with respect to any aspect of the Systems that has not been remedied in all material respects. NRM and each Company has implemented and maintains commercially reasonable backup and data recovery, disaster recovery and business continuity plans, consistent with industry practices of companies offering similar services, and acts in compliance therewith. NRM and each Company has tested such plans on a periodic basis, and such plans have proven effective upon testing. No aspect of NRM's or either Company's Systems is currently under development or will require any material development effort or expenditure following the Closing in order to complete such aspect of the Systems.

(gg) [***].

(hh) Disclosure. The representations and warranties contained in this Section 5 do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained in this Section 5 not misleading. There is no fact known to Seller that may have a Material Adverse Effect on, or constitute Material Adverse Change to, Seller which has not been set forth in this Agreement or the Disclosure Schedule hereto. There is no fact known to NRM or either Company that may have a Material Adverse Effect on, or constitute Material Adverse Change to, NRM and the Companies (or NRM or either Company individually if such Material Adverse Effect or Material Adverse Change relates to the ability of NRM or the applicable Company to consummate the Transactions) which has not been set forth in this Agreement or the Disclosure Schedule hereto.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE SELLER EXECUTIVES

Each Seller Executive severally, but not jointly, represents and warrants to Buyer that the statements contained in this Section 6 are correct and complete as of the effective date and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout

this Section 6):

(a) Authorization of Transactions. The Seller Executive has full power and authority and has taken all action necessary to authorize, execute and deliver this Agreement and to perform his obligations hereunder, except as may be limited by the Enforceability Limitations. This Agreement has been duly executed and delivered by the Seller Executive and constitutes a legal, valid and binding obligation of the Seller Executive enforceable against the Seller Executive in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(b) No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transaction, and the performance by the Seller Executive of his obligations hereunder do not, and will not, result in or constitute: (i) a breach of, a loss of rights under, or an event of default under, or result in the acceleration of, any obligations under, any term or provision of any material contract to which the Seller Executive is a party; (ii) a violation by the Seller Executive of any Applicable Law; or (iii) the imposition of a Lien on the NRM Common Stock or any of the Company Interests or any of the assets of NRM or either Company.

(c) Consent and Approval. No consent, approval or authorization of, or declaration, filing or registration with, any third party is required to be made or obtained by the Seller Executive in connection with the execution, delivery and performance of this Agreement and the consummation of the Transactions.

ARTICLE 7 PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the Effective Date and the Closing Date:

(a) General. Each of the Parties will use his, her, or its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the Closing conditions set forth in Section 9).

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(b) Permits, Notices and Consents.

(i) Within five (5) business days after the Effective Date, Buyer shall provide to Seller, NRM and each Company such information as is necessary for Seller, NRM and/or each Company, as applicable, to submit a written change of ownership and control request to the CCC and similar requests to the Town of Lakeville, the Town of Millbury, the Town of Tyngsborough and the Town of Grafton, if and as necessary, for a change of ownership of the associated Permits and Local Agreements, relating to such Governmental Authorities that Buyer will become the "owner" of Merger Sub (as successor in interest to NRM) and each Company upon consummation of the Transactions set forth in this Agreement. Within five (5) business days of Seller's, NRM's and/or each Company's receipt of all the necessary information from Buyer, Seller, NRM, and/or the each Company, as applicable, shall submit a written change of ownership and control request to the CCC and similar requests to the Town of Lakeville, the Town of Millbury, the Town of Tyngsborough and the Town of Grafton, if and as necessary, for a change of ownership of the associated Permits and Local Agreements, relating to such Governmental Authorities that Buyer will become the "owner" of Merger Sub (as successor in interest to NRM) and each Company upon consummation of the Transactions set forth in this Agreement. Each Party shall cooperate with each other and all Governmental Authorities in filing any and all necessary documentation and appearing at all meetings and hearings to accomplish the changes of ownership and control contemplated herein. Each Party will take all lawful steps necessary to affect such changes of ownership and control, all as required under the Massachusetts Cannabis Laws.

(ii) Without limiting the provisions of Section 7(b)(i), each Party will cooperate with the other Parties and: (A) promptly take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement, the ancillary documents referenced in this Agreement and Applicable Law to consummate and make effective the Transactions, including preparing and filing all documentation notices, petitions, statements, registrations, submissions of information, applications and other documents (including those under the HSR Act), (B) use commercially reasonable efforts to obtain all approvals, consents, registrations, Permits, authorizations and other confirmations required to be obtained from any third party and/or Governmental Authority necessary, proper or advisable to consummate the Transaction, and (C) execute and deliver such documents, certificates and other papers as a Party may reasonably request to evidence another Party's satisfaction of its obligations hereunder. Subject to Applicable Law relating to the exchange of information, the Parties will have the right to review in advance, and, to the extent practicable, each will consult the others on, any information relating to the Seller, NRM and each Company, on the one hand, or Buyer and its Affiliates, on the other hand, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Authority in connection with the Transactions.

(c) Operation of Business. Except as required by Applicable Law or as set forth on Schedule 7(c) of the Disclosure Schedule, from the Effective Date until the earlier to occur of the termination of this Agreement and the Closing Date, except for matters pertaining to [***], Seller will not cause or permit NRM or either Company to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business without the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned. Without limiting the generality of the foregoing, except as required by Applicable Law or as set forth on Schedule 7(c) of the Disclosure Schedule, Seller will not cause or permit NRM or either Company to:

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(i) terminate the employment of any Key Employee, except for good cause, which shall include but shall not be limited to, fraud, gross negligence, willful misconduct or any other act or omission that jeopardizes any material Permit (including without limitation the Cannabis Licenses) of NRM or either Company;

(ii) hire any new employees, except: (A) "at-will" employees (and provided such employees do not receive any guaranteed base compensation, bonuses or other payments or commitments of any kind from Seller, NRM or either Company); or (B) to fill any employee position as of the Effective Date that is vacated prior to the Closing Date, provided the base compensation and bonus offered to any new employee filling such vacancy shall not exceed one hundred and five percent (105%) of the base compensation and bonus offered to the prior employee;

(iii) except for the Infrastructure Improvements set forth on the Infrastructure Improvements Schedule or any other Infrastructure Improvements agreed to by Buyer and Seller in accordance with Section 7(t) hereof, make any capital expenditure (or series of related capital expenditures) involving more than \$25,000;

(iv) sell, assign or transfer any Other Inventory to any Person, or remove any Other Inventory from the Real Property where such Other Inventory is located on the Effective Date prior, in each instance, to such Other Inventory being processed into Finished Goods Inventory (and shall cause NRM to continue to produce and manufacture Other Inventory in the Ordinary Course of Business, subject to the continued availability of plant material and other inputs on commercially reasonable terms);

(v) cease to continue to process Other Inventory into Finished Goods Inventory in the Ordinary Course of Business, subject to the continued availability of plant material and other inputs on commercially reasonable terms);

(vi) increase the base compensation or any bonus of any director, officer, manager or employee in effect as of the Effective Date, except as required pursuant to existing contractual obligations or as required in any collective bargaining agreement to which NRM or either Company is a party; or

(vii) engage in any practice, take any action, or enter into any transaction of the sort described in Section 5(k) reasonably anticipated to require payment after the Closing Date of in excess of \$25,000.

Notwithstanding the foregoing, the Parties acknowledge and agree that nothing contained in this Agreement shall give Buyer or any of its Affiliates, directly or indirectly, the right to control or direct the operations of Seller, NRM or either Company prior to Closing. Prior to Closing, Seller, NRM and each Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their respective operations.

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(d) Preservation of Business. From the Effective Date until the earlier to occur of the termination of this Agreement and the Closing Date, Seller, NRM and each Company shall keep their respective businesses and properties substantially intact and operating in the Ordinary Course of Business, including their respective operations, physical facilities (subject to ordinary wear and tear), insurance policies, and relationships with lessors, licensors, suppliers, customers, and employees, provided however that immediately prior to the Closing, NRM and each Company may assign to Seller all of such Person's rights, title and interests in and to their Accounts Receivable aged beyond one hundred and twenty (120) days of the earlier of the applicable invoice issuance date and the payment due date.

(e) Full Access. Seller, NRM and each Company shall permit Representatives of Buyer (including legal counsel and accountants) to have full access to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to NRM and each Company at reasonable times upon reasonable notice. Buyer will comply with, and will cause its Affiliates and their respective Representatives to comply with, all of the confidentiality obligations of Buyer under that certain Term Sheet previously signed by Seller and Buyer in connection with the Transactions dated February 2, 2021 (the "Term Sheet"), with respect to the information disclosed pursuant to this Section 7(e). The confidentiality obligations set forth in the Term Sheet will remain in full force and effect and survive any termination of this Agreement in accordance with the terms thereof, provided that, notwithstanding anything contained herein or in the Term Sheet to the contrary, any obligations or restrictions imposed upon Buyer or its Affiliates under the Term Sheet or this Agreement relating solely to the Confidential Information of NRM or either Company will be null and void as of the Closing Date.

(f) Notice of Developments. Each Party will give prompt written notice to the other Parties of: (i) any act, omission or other development constituting a material breach of any of the representations or warranties of such Party set forth herein, and (ii) any material failure of such Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party as set forth herein. No disclosure by Seller, NRM or either Company pursuant to this Section 7(f) shall be deemed to, and shall not, amend or supplement the Disclosure Schedule or prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

(g) Exclusivity. Neither Seller, NRM, either Company nor any of their respective Representatives shall, directly or indirectly: (i) facilitate, encourage, solicit, initiate, or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal, or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Seller shall promptly (and in any event within two (2) days after receipt thereof by Seller, NRM, or either Company) advise Buyer orally and in writing of: (A) any Acquisition Proposal, any request for information with respect to an Acquisition Proposal, or any inquiry which could reasonably be expected to result in an Acquisition Proposal, (B) the material terms and conditions of such request, Acquisition Proposal or inquiry, and (C) the identity of the Person making such request, Acquisition Proposal or inquiry.

(h) Related Party Agreements. Except to the extent Buyer may elect in writing to the contrary, on or prior to the Closing Date all Related Party Agreements, including without limitation all loans, will be terminated.

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(i) Maintenance of Real Property. Seller, NRM and each Company shall maintain their respective Real Property in substantially the same condition as existed on the Effective Date and in compliance with all Applicable Laws (including without limitation the Massachusetts Cannabis Laws), ordinary wear and tear excepted, and shall not demolish or remove any of the existing Improvements, or erect new Improvements on the Real Property or any portion thereof, without the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed. Seller shall promptly notify Buyer in writing of any casualty or condemnation at or affecting any Real Property.

(j) Leases. Except in accordance with Applicable Law or in the Ordinary Course of Business, NRM and each Company will not cause or permit any Lease to be amended, modified, extended, renewed or terminated, nor shall NRM or either Company enter into any new Lease or other agreement for the use or occupancy of any Real Property, Tangible Personal Property or intangible property (including without limitation any Intellectual Property), without the prior written consent of Buyer which shall not be unreasonably withheld, conditioned or delayed. Seller shall provide Buyer with a copy of any notice or request that NRM or either Company receives from any landlord or any other party with respect to any Lease or other agreement for the use or occupancy of any Real Property, Tangible Personal Property or intangible property (including without limitation any Intellectual Property).

(k) Taxes. Without the prior written consent of Buyer, neither Seller, NRM nor either Company shall make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax related Claim or assessment relating to NRM or either Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax related Claim or assessment relating to NRM or either Company, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax Liability of NRM or either Company for any period ending after the Closing Date or decreasing any Tax attribute of NRM or either Company existing on the Closing Date.

(l) Prohibition on Trading in Parent Common Stock. Prior to the Closing, Seller, NRM, each Company, their Affiliates and all of their respective Representatives shall not, directly or indirectly, sell, hedge, contract to sell, short-sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase or otherwise hypothecate or transfer for value any Parent Common Stock, or take any other action designed to increase or decrease such Person's exposure to the price of Parent Common Stock. Notwithstanding the foregoing, the provisions of this Section 7(l) shall not apply to any member of Seller that: (a) is not a director, officer or manager of Seller; (b) is not an Affiliate of a director, officer or manager of Seller; (c) is not a family member of any Person that is a director, officer or manager of Seller, or an Affiliate of a director, officer or manager of Seller; (d) owns or controls, directly or indirectly, less than five percent (5%) of the issued and outstanding membership interests of Seller on a fully diluted basis; and (e) is not in possession of material non-public information about Buyer, Seller, NRM, either Company, any of their Affiliates or the Transactions contemplated herein.

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(m) Pre-Closing Financial Statements. Seller shall deliver to Buyer by the twenty-fifth (25th) day of the calendar month following the end of each calendar month a true and complete unaudited balance sheet and statement of income, change in stockholders'/members' equity, and cash flow for NRM and the Companies (on a consolidated and combined basis) for the immediately preceding calendar month prepared in accordance with GAAP in effect at the time of such preparation applied on a consistent basis with past practice of NRM and the Companies and throughout the periods involved.

(n) Audit. Immediately following the Effective Date, Seller shall, at Seller's sole cost and expense, retain an Independent Accountant mutually agreeable to Buyer in its reasonable discretion. The Independent Accountant shall, as soon as reasonably possible but in no event more than ninety (90) days from the Effective Date, provide Buyer with the following consolidated and combined audited financial statements (the "**Audited Financial Statements**") of NRM and the Companies: (i) balance sheets and statements of income, changes in stockholders' equity, and cash flow for NRM and the Companies as of and for the fiscal year ended December 31, 2020, and (ii) pro forma balance sheets and statements of income, changes in members' and stockholders' equity, and cash flow as of and for the month ended March 31, 2021 [***], the Worcester Liabilities, the Seller Retained Assets and all Seller retained Liabilities. The Audited Financial Statements shall be prepared in accordance with GAAP, applying NRM and the Companies' usual and customary accounting practices to the extent permitted by GAAP. In the event the Audited Financial Statements show: (A) a five percent (5%) reduction revenues, or (B) a five percent (5%) reduction earnings before interest, taxes, depreciation, amortization and rent, (C) a five percent (5%) reduction in total assets not associated with changes due to recognition of GAAP lease treatment or GAAP depreciation; (D) a five percent (5%) reduction in shareholder's equity not associated with changes due to recognition of GAAP lease treatment or GAAP depreciation in each case of (A)-(D) when compared to the Financial Statements provided by Seller on the Effective Date, such discrepancy will be deemed a Material Adverse Change hereunder, and, without prejudicing any other rights of Buyer hereunder, Buyer shall have the right to terminate this Agreement in accordance with the provisions of Section 12(a)(iv)(C) hereof.

(o) Publicity. Seller and Buyer will: (i) develop a joint communication plan with respect to this Agreement and the Transactions; (ii) ensure that all press releases and other public statements with respect to this Agreement and the Transactions will be consistent with such joint communication plan, and (iii) consult promptly with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement or the Transactions, provide to the other applicable Party for review a copy of any such press release or statement, and not issue any such press release or make any such public statement without the other Party's consent, unless the Party issuing such release or making such public statement determines in good faith in consultation with such Party's legal counsel that such disclosure is required or advisable under Applicable Law, or pursuant to the rules and regulations of any applicable securities exchange. For the avoidance of doubt, this Section 7(o) will not restrict communications by any Party or its Affiliates that do not relate to this Agreement or the Transactions, nor will it restrict any Party from making any public statement or press release regarding the other Party that is materially consistent with prior disclosures made pursuant to this Section 7(o) following a period of sixty (60) days after the Closing Date.

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(p) Transfer of Assets. [***] and those assets listed on Schedule 7(p) of the Disclosure Schedule (the "**Seller Retained Assets**"), Seller shall transfer all tangible and intangible assets owned by Seller (including without limitation all Real Property, Tangible Personal Property and Intellectual Property) to NRM or either Company prior to Closing in a manner satisfactory to Buyer in its reasonable discretion. Seller will not own any tangible or intangible assets at Closing (including without limitation any Real Property, Tangible Personal Property or Intellectual Property) except for the NRM Common Stock, the Company Interests, the Seller Retained Assets and, [***]. The Seller Retained Assets shall only be comprised of assets owned, used or operated exclusively by Seller, and shall not be comprised of any assets owned, used, operated or shared by Seller and NRM or either Company or any assets necessary for NRM or either Company to conduct its respective businesses. All Liabilities associated with the transfer of assets contemplated in this Section 7(p) (including all Taxes) shall be borne by Seller.

(q) Transfer and Retention of Personnel.

(i) Except to the extent Buyer may inform Seller in writing to the contrary, [***] shall have been terminated by Seller, NRM, or the applicable Company for which [***] works upon the earlier of: (A) the consummation of [***]; and (B) the Closing Date of this Agreement.

(ii) Prior to the Closing [***] that are employed by or otherwise work for Seller shall each have been transferred to NRM or a Company specified by Buyer in its sole discretion. Seller shall not have any employees or independent contractors as of the Closing Date.

(iii) On the Effective Date Buyer shall prepare and deliver to Seller a schedule (the "**Key Employee Schedule**") [***] (each a "**Key Employee**") that Seller shall cause to enter into retention agreements ("**Retention Agreements**") with NRM or the Company each Key Employee is employed by on the Effective Date. Each Retention Agreement shall be in form and substance satisfactory to Buyer in its reasonable discretion. Upon execution of the Retention Agreements, in no event shall NRM or either Company take any action with respect to a Retention Agreement (including granting any approval, authorization or consent, waiving any right or agreeing to any amendment) without the prior written approval of Buyer, which shall be granted or withheld in Buyer's sole discretion.

(iv) [***] and Buyer or an Affiliate of Buyer shall enter into a consulting agreement (the "[***]") pursuant to which [***] shall provide certain consulting services to Buyer and its Affiliates following the Closing Date, for a period not to exceed six (6) months.

(r) Termination of Employee Benefit Plans. Seller, NRM and each Company shall terminate all Employee Benefit Plans prior to or on the Closing Date. Seller shall be responsible for the payment of all Adverse Consequences associated with the termination of Seller's, NRM's, and each Company's Employee Benefit Plans.

(s) [***]

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(t) Capital Expenditure Program. Beginning on the Effective Date, Buyer and Seller shall institute a capital expenditure program consisting of various infrastructure improvements to Seller's existing operations (each, an "**Infrastructure Improvement**"). Subject to Applicable Law, the capital expenditure program shall include, without limitation, the Infrastructure Improvements schedule agreed upon by the Buyer and Seller prior to the Effective Date (the "**Infrastructure Improvement Schedule**"), and such other Infrastructure Improvements as may be requested by Buyer and approved by Seller, such approval by Seller not to be unreasonably withheld, conditioned or delayed. Each Infrastructure Improvement shall be performed and executed by Seller in form and substance as agreed upon by Buyer and Seller, including with respect to the design team, physical programming and design, materials, suppliers and general contractor. Buyer shall be responsible for the payment of all costs and expenses associated with each Infrastructure Improvement agreed upon by Buyer and Seller. In the event the Parties consummate the Transactions set forth herein, on the Closing Date Buyer shall receive a credit of Five Hundred and Fifty Thousand Dollars (\$550,000) for all Infrastructure Improvements undertaken by Seller prior to the Closing Date in accordance with the capital expenditure program. In the event this Agreement is terminated prior to the Parties consummating the Transactions set forth herein, within seven (7) days of the date of termination Seller shall pay to Buyer, in cash by wire transfer of immediately available funds, the lesser of: (a) the amount paid by Buyer for all Infrastructure Improvements prior to the date of termination in accordance with the capital expenditure program; or (b) One Million Two Hundred Thousand Dollars (\$1,200,000).

(u) Testing Results. Seller shall, as promptly as possible, provide buyer with copies of the results from all internal and third-party testing of any of NRM's products.

(v) Disclosure Schedule Update. Between the Effective Date and the Closing Date, Seller shall notify Buyer of, and shall promptly supplement or amend the Seller's Disclosure Schedules with respect to, any matter that: (i) may arise after the Effective Date and that, if existing or occurring at or prior to the Effective Date, would have been required to be set forth or described in a Disclosure Schedule; or (ii) makes it necessary to update or correct any information (including inaccurate, incomplete or missing information) in a Disclosure Schedule or in any representation and warranty of Seller, NRM or either Company that has been rendered inaccurate thereby, in each case to the extent such matter was not expressly permitted hereunder. No supplement or amendment to a Disclosure Schedule (including delivery of previously inaccurate, incomplete or missing information) or any delivery of a Disclosure Schedule after the Effective Date shall be deemed to cure any inaccuracy of any representation or warranty made in this Agreement or impair Buyers' rights to terminate this Agreement pursuant to Section 12 hereof for any such previously inaccurate, incomplete or missing information.

ARTICLE 8 POST-CLOSING COVENANTS

The Parties agree as follows with respect to the period following the Closing Date:

(a) General. In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section 10). Without limiting the generality of the foregoing, to the extent that any additional filings are required by the CCC or any other Governmental Authority in connection with the change of ownership of the Surviving Company (as successor-in-interest to NRM) or either Company, the Parties shall cooperate to prepare and make such filings within the time period required by such Governmental Authority.

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(b) Litigation Support. In the event and for so long as any Party is actively contesting or defending against any third party Claim in connection with: (i) the Transaction; or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction occurring on or prior to the Closing Date involving NRM or either Company, each of the other Parties will: (A) cooperate with the Party (and such Party's counsel) contesting or defending such third party Claim; (B) make available its personnel; and (C) provide such testimony and access to its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Section 10). Any information shared by a Party pursuant to this Section 8(b) shall be the confidential information of the disclosing Party, and shall not be used or disclosed by the receiving party, its Affiliates or any of their respective Representative for any reason except to the extent necessary to contest or defend the applicable Claim. The disclosing Party may condition the disclosure of any confidential information provided pursuant to this Section 8(b) upon receipt of an Order from a Governmental Authority or other assurance from the recipient of such information that confidential treatment will be accorded to such information.

(c) Non-Disparagement. Each Party covenants and agrees that it will not make, and will use commercially reasonable efforts to cause its Affiliates and all of their respective Representatives not to make, any false, misleading, derogatory or disparaging statements concerning the other Parties, their Affiliates, or any of their respective Representatives, successors or assigns. Nothing in this Section 8(c) shall limit a Party's, its Affiliates' or any of their respective Representatives' ability to make true and accurate statements or communications in connection with any disclosure such Party, Affiliate or Representative is required pursuant to Applicable Law (including without limitation pursuant to any Securities Law or securities exchange rule or regulation).

(d) Confidentiality. Seller has had access to, and has gained knowledge with respect to, the financial results, businesses and customers and suppliers of NRM and each Company and other confidential or proprietary information concerning NRM and each Company (collectively, the "**Confidential Information**"). Seller acknowledges that unauthorized disclosure or misuse of the Confidential Information, whether before or after the Closing, could cause irreparable damage to NRM, each Company and/or Buyer and its Affiliates after the Closing. Seller also agrees that covenants by Seller not to make unauthorized disclosures of the Confidential Information are essential to the growth and stability of NRM's, each Company's and Buyer's and its Affiliates respective businesses after Closing. Accordingly, Seller agrees that, beginning on the Closing Date and continuing until the two (2) year anniversary of the Closing Date, it will not, and it will use reasonable commercial efforts to cause its Representatives and all of their respective Affiliates not to, use or disclose any Confidential Information obtained in the course of their past connection with NRM or either Company. Notwithstanding the foregoing, Seller, its Affiliates and all of their respective Representatives may disclose the Confidential Information to the extent required by Applicable Law or any Governmental Authority, or in connection with the defense or enforcement of Seller's rights and obligations under this Agreement, or to the extent such Confidential Information becomes publicly available through no breach of this Agreement or other fault of Seller, its Affiliates or any of their respective Representatives. If Seller, an Affiliate of Seller or any of their respective Representatives is requested or required by Applicable Law or Governmental Authority to disclose any Confidential Information, such Person will notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective Order at its sole expense or waive compliance with the provisions of this Section 8(d). If in the absence of a protective Order or the receipt of a waiver hereunder, such Person is, on the advice of counsel, compelled to disclose any Confidential Information to any Governmental Authority or else stand liable for contempt, such Person may disclose such Confidential Information to such Governmental Authority; provided, however, that the disclosing party will use commercially reasonable efforts to obtain, at the request and sole expense of Buyer, an Order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer may designate. For clarity, any of Seller's confidential or proprietary information shall remain Seller's property and shall be protected by Buyer, its Affiliates and Representatives in the same manner and subject to the same covenants as set forth above with regard to the information belonging to Buyer, NRM and the Companies.

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(e) Injunctive Relief. Seller and each Seller Executive acknowledges and agrees that: (i) a remedy at law for failure to comply with its covenants contained in this Agreement may be inadequate; and (ii) Buyer will be entitled to seek from a court having jurisdiction, in its sole discretion, specific performance, an injunction, a restraining Order or any other equitable relief in order to enforce any such provision without the need to post a bond. The right to obtain such equitable relief will be in addition to any other remedy to which Buyer is entitled under Applicable Law (including, but not limited to, monetary damages). Seller and each Seller Executive acknowledges and agrees that it has had an opportunity to consult with counsel regarding this Agreement, has fully and completely reviewed this Agreement with such counsel and fully understands the contents hereof. Seller and each Seller Executive acknowledges and agrees that the territorial, time and other limitations contained in this Agreement are reasonable and properly required for the adequate protection of the business and affairs of Buyer, and in the event that any one or more of such territorial, time or other limitations is found to be unreasonable by a court of competent jurisdiction, Seller and each Seller Executive hereby agrees to submit to the reduction of said territorial, time or other limitations to such an area, period or otherwise as the court may determine to be reasonable. In the event that any limitation under this Agreement is found to be unreasonable or otherwise invalid in any jurisdiction, in whole or in part, Seller and each Seller Executive acknowledges and agrees that such limitation will remain and be valid in all other jurisdictions.

(f) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value-added and other such Taxes and fees (including any penalties and interest) incurred, imposed or assessed in connection with the Transactions and the documents and agreements to be delivered hereunder ("**Transfer Taxes**") shall be split fifty percent (50%) by Seller and (50%) by Buyer. Buyer shall timely pay any Transfer Taxes and timely file any Tax Return or other document with respect to such Taxes or fees (and Seller, NRM and each Company shall cooperate with respect thereto as necessary). For the avoidance of doubt, Transfer Taxes shall exclude all costs, fees and expenses payable to Governmental Authorities to consummate the Transactions under the HSR Act, all of which shall be payable by Buyer, except in the event of a termination of this Agreement by Buyer pursuant to Section 12(a)(iv)(A), in which case Seller shall promptly reimburse Buyer for 100% of all such reasonable costs, fees and expenses incurred by Seller with respect to compliance with the HSR Act.

(g) Non-Competition; Non-Solicitation.

(i) Subject only to the provisions of Section 8(g)(vi) hereof, Seller and each Seller Executive hereby agrees, severally and not jointly, that during the Restricted Period Seller and each Seller Executive shall not, and Seller shall not permit any Person over which it has control to:

(A) engage directly or indirectly in a Competing Activity in the Restricted Territory; or

(B) become an officer, director, stockholder, sole proprietor, owner, partner, member, or investor in, or otherwise acquire or hold (of record, beneficially or otherwise) any direct or indirect interest in, any Person that engages directly or indirectly in a Competing Activity in the Restricted Territory; provided, however, that Seller and each Seller Executive may own as a passive investment, shares of capital stock of a publicly-held corporation that engages in a Competitive Activity in the Restricted Territory if: (1) such shares are actively traded on an established national securities market in the United States or in a foreign jurisdiction; (2) the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by Seller or the applicable Seller Executive together with any of their respective Affiliates collectively represent less than one percent (1%) of the total number of shares of such corporation's capital stock outstanding; and (3) neither Seller nor the applicable Seller Executive or any of their respective Affiliates is otherwise associated directly or indirectly with such corporation or with any Affiliate of such corporation.

(C) (1) solicit, induce or attempt to induce any Person who, within the 365-day period ending on the Closing Date, was a supplier, customer, licensee, consultant or other business associate of Seller, NRM or either Company: (y) to cease doing business with Buyer or any of its Affiliates (including Merger Sub and both Companies); or (z) to diminish, reduce or materially alter such Person's business relationship with Buyer or any of its Affiliates (including Merger Sub and both Companies); (2) solicit, induce or attempt to induce any potential supplier, customer, licensee, consultant or other Person who, within the 365-day period ending on the Closing Date, Buyer or its Affiliates (including Merger Sub and both Companies) was trying to transact business with: (y) to not establish a business relationship with Buyer or any of its Affiliates (including Merger Sub and both Companies); or (z) to establish a business relationship with any Person other than Buyer or any of its Affiliates (including Merger Sub and both Companies); or (3) assist any other Person to engage in the activities prohibited by clauses (1) or (2) of this subsection.

(D) (1) solicit, induce or attempt to induce any Person who, within the 365-day period ending on the Closing Date, was an employee of Seller, NRM or either Company: (y) to leave his or her employment with Buyer or any of its Affiliates (including Merger Sub and both Companies); or (z) to diminish or materially alter said employee's relationship with Buyer or any of its Affiliates (including Merger Sub and both Companies); (2) solicit, induce or attempt to induce any Person with whom Buyer or its Affiliates was trying to establish an employment relationship within the immediately preceding 365-day period: (y) to not establish an employment relationship with Buyer or its Affiliates (including Merger Sub and both Companies); or (z) to establish an employment relationship with any Person other than Buyer or its Affiliates (including Merger Sub and both Companies); or (3) assist any other Person to engage in the activities prohibited by clauses (1) and (2) of this subsection.

(E) For the avoidance of doubt, for purposes of this Section 8(g)(i), all employees, suppliers, customers, licensees, consultants or other business associates of NRM prior to the Closing Date shall be considered the employees, suppliers, customers, licensees, consultants or other business associates of Merger Sub (as successor-in-interest to NRM) after the Closing Date as though NRM had been the entity surviving the Merger.

(ii) Seller and each Seller Executive acknowledges and agrees that: (A) during the Restricted Period Buyer and its Affiliates (including Merger Sub and both Companies) will conduct operations and generate revenue throughout the Restricted Territory; (B) in order to assure Buyer and its Affiliates (including Merger Sub and both Companies) that Surviving Company and the Companies will retain the value of their operations after Closing, it is necessary that Seller and each Seller Executive abide by the restrictions set forth in this Section 8(g); (C) Buyer and its Affiliates (including Merger Sub and both Companies) would be greatly damaged if Seller or a Seller Executive engaged in any Competitive Activity in the Restricted Territory during the Restricted Period; and (D) the restrictive covenants contained in this Section 8(g) serve to protect the legitimate business interests of Buyer and its Affiliates (including Merger Sub and both Companies) in the Restricted Territory during the Restricted Term, including client good will, substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers and a productive and competent and undisrupted workforce.

(iii) The Restricted Period during which any Person subject to the provisions of this Section 8(g) is to refrain from Competing Activities in the Restricted Territory will be extended by any length of time during which it or he, as applicable, is in breach of this Section 8(g) (but such breach shall not, for the avoidance of doubt, extend the Restricted Period for any other Person). Seller and each Seller Executive acknowledges and agrees that the purposes and intended effects of the restrictive covenants set forth herein would be frustrated by strictly measuring the Restricted Period as two (2) years from the Closing Date in instances where Seller or a Seller Executive, as applicable, has failed to honor any restrictive covenant until required to do so pursuant to the Order of a Governmental Authority.

(iv) Seller and each Seller Executive acknowledges and agrees that: (A) it may be difficult to measure the damages from any breach or threatened breach of the restrictive covenants in this Section 8(g); (B) that injury to Buyer or its Affiliates (including Merger Sub and both Companies) may be irreparable; and (C) that money damages may not be an inadequate sole remedy for such breach. Accordingly, Seller and each Seller Executive acknowledges and agrees that if Seller or a Seller Executive, as applicable, breaches or threatens to breach the restrictive covenants in this Section 8(g), Buyer or any of its Affiliates (including Merger Sub and both Companies) shall, in addition to all other remedies available at law or in equity (including monetary remedies), be immediately entitled, upon a showing of sufficient evidence, to an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage.

(v) Seller and each Seller Executive acknowledges and agrees that: (A) the restrictive covenants set forth in this Section 8(g) are made in connection with this Agreement, specifically the consummation of the Transactions and the disposition by Seller of the NRM Common Stock and the Company Interests in connection therewith; (B) Seller owns all of the issued and outstanding NRM Common and all the issued and outstanding Company Interests; (C) each Seller Executive holds a significant membership interest in Seller; (D) Seller and each Seller Executive will receive significant consideration or benefit from the consummation of the Transactions; and (E) the restrictive covenants set forth in this Section 8(g) do not constitute a "Noncompetition agreement" subject to the provisions of Massachusetts General Laws c. 149, S. 24L.

(vi) Notwithstanding the foregoing provisions of this Section 8(g), for so long as Brady and/or Carr, as applicable, are in compliance with the Permitted Competition Requirements, during the Restricted Period Brady and/or Carr may, in the aggregate, operate a cannabis cultivation business at a single physical location in the Restricted Territory under an Adult Use and/or Medical Marijuana Cultivation license issued by the CCC and/or Adult Use Marijuana Production license issued by the CCC (collectively, the "Permitted Cultivation Activity"), and a retail business at a single physical location in the Restricted Territory under an Adult Use and/or Medical Marijuana Retail license issued by the CCC (the "Permitted Retail Activity"). For the avoidance of doubt: (A) if Carr or Brady is engaged in a Permitted Cultivation Activity, the other Person shall not be entitled to engage in a Permitted Cultivation Activity; (B) if Carr or Brady is engaged in a Permitted Retail Activity, the other Person shall not be entitled to engage in a Permitted Retail Activity; (C) neither Carr nor Brady shall be permitted to engage in Permitted Cultivation Activity or Permitted Retail Activity at more than one

physical location at any time (regardless of whether or not permitted pursuant to the applicable Adult Use and/or Medical Marijuana Cultivation or Adult Use and/or Medical Marijuana Retail license). The right for Carr and/or Brady to engage in a Permitted Cultivation Activity and/or a Permitted Retail Activity shall be contingent on the following requirements (the “**Permitted Competition Requirements**”); (1) the physical location at which the Permitted Retail Activity occur shall not be within a thirty (30) mile radius of the Tyngsborough Location or the Millbury Location; (2) Buyer shall have a right of first refusal to purchase at least (20%) of the cannabis flower produced in connection with the Permitted Cultivation Activity at market rates (as mutually agreed by Buyer and the Person engaged in the Permitted Cultivation Activity in good faith); and (3) the Permitted Cultivation Activity shall not have flowering canopy that exceeds five thousand (5,000) square feet without the prior written consent of Buyer, which may be granted or withheld in Buyer’s sole discretion. In the event that Carr or Brady does not comply with the Permitted Competition Requirements at any time during the Restricted Period, the right of the non-complying Person to engage in a Permitted Cultivation Activity and/or a Permitted Retail activity shall immediately cease and be of no further force or effect, and the remaining provisions of this Section 8(g) shall apply to such Person for the remainder of the Restricted Period.

(h) Purchase Price Allocation.

(i) The Parties hereto agree that for U.S. federal income Tax purposes, the purchase and sale of the Company Interests shall be treated as a purchase of all of the assets of McMann and Valiant. The Parties further agree that where applicable, such treatment shall apply for state, local, and foreign income Tax purposes.

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(ii) Within forty-five (45) days after the Closing Date, Buyer shall prepare a schedule (the “**Draft Allocation**”) allocating the Company Interest Purchase Consideration and any other consideration paid by Buyer (or deemed to be paid by Buyer) to Seller for the Company Interests among all the assets of McMann and Valiant [***] (the “**Assets**”). The allocation shall be done in such a manner so as to comply with the requirements of Section 1060 of the Code and the applicable Treasury Regulations. Within thirty (30) days of its receipt of such Draft Allocation (the “**Draft Allocation Review Period**”), Seller will provide Buyer with a written notice of any proposed changes to the Draft Allocation (a “**Draft Allocation Dispute Notice**”), together with revised allocations as proposed by Seller and a detailed explanation of the basis for such proposed changes. If Seller does not provide Buyer with a Draft Allocation Dispute Notice within the Draft Allocation Review Period, the Draft Allocation shall become final (the “**Final Allocation**”).

(iii) If Seller provides Buyer with a Draft Allocation Dispute Notice during the Draft Allocation Review Period, Seller and Buyer (and/or their Representatives, as necessary) shall discuss such proposed changes in good faith for a period not to exceed fifteen (15) days from the date of Buyer’s receipt of the Draft Allocation Dispute Notice (the “**Draft Allocation Dispute Period**”) and shall attempt to resolve any disputes. If Seller and Buyer are able to reach a mutually satisfactory agreement as to all proposed changes during the Draft Allocation Dispute Period, the Draft Allocation shall be modified to reflect such agreed changes and shall become the Final Allocation.

(iv) In the event Seller and Buyer cannot agree on an allocation schedule during the Draft Allocation Dispute Period, any applicable disputes shall be resolved by an Independent Accountant selected in the same manner as set forth in Section 1(i)(iv) and such Independent Accountant shall resolve the issues underlying the disputed allocations only and make any corresponding adjustments to the Draft Allocation. Seller and Buyer agree that all adjustments shall be made without regard to materiality. The decision of the Independent Accountant with respect to each disputed allocation must be within the range of values assigned to each such item in the Draft Allocation and the Draft Allocation Dispute Notice, respectively.

(v) The Independent Accountant shall make a determination as soon as practicable and in any event within thirty (30) days (or such other time as Seller and Buyer shall agree in writing) after its engagement, and its resolution of the disputed allocations and its corresponding adjustments to the Draft Allocation shall be conclusive and binding on all Parties (and any other Person) for all purposes hereunder absent fraud or gross negligence. Upon resolution of all disputed allocations by the Independent Accountant, such disputed allocations the Draft Allocation shall be deemed the Final Allocation. Judgment on the determination of the Independent Accountant may be entered by any state court of competent jurisdiction located in the Commonwealth of Massachusetts.

(vi) The fees and expenses of the Independent Accountant shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller. Notwithstanding the foregoing, upon resolution of each disputed allocation, Seller and Buyer shall true-up all payments made to the Independent Accountant such that each of Seller and Buyer has paid an amount inverse to the aggregate proportion by which the Independent Accountant resolves each disputed allocation in favor of one Party or the other. By way of example, but not by way of limitation, if a disputed allocation pertains to an Asset being assigned a One Hundred Thousand Dollars (\$100,000) allocation by Buyer and a zero Dollar (\$0) allocation by Seller, and the Independent Accountant determines that the proper allocation for such asset is Eighty Thousand Dollars (\$80,000), Buyer would pay twenty percent (20%) of the Independent Accountant’s fees and expenses and Seller would pay eighty percent (80%) of the Independent Accountant’s fees and expenses.

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(vii) Upon determination of the Final Allocation, Seller shall promptly prepare (or cause to be prepared) an IRS Form 8594 (including any necessary supplement) consistent with the allocation set forth in the Final Allocation and shall deliver a copy thereof to Buyer. Seller and Buyer shall each file such completed IRS Form 8594 (including any necessary supplement) with the IRS in a timely manner.

(viii) If there is an increase or decrease in consideration within the meaning of Treasury Regulations Section 1.1060-1(e)(ii)(B) after the Parties have filed the initial IRS Form 8594, the Parties shall allocate (or if they cannot agree to such an allocation, an Independent Accountant shall allocate) such increase or decrease in consideration paid by Buyer to Seller among the Assets as required by and consistent with Section 1060 and the applicable Treasury Regulations which shall be the revised Final Allocation.

(ix) The Parties hereto shall make consistent use of and adhere to the Final Allocation (or if applicable, the most recent revised Final Allocation) for all Tax purposes and in all filings, declarations and reports with the IRS in respect thereof, including the reports required to be filed under Section 1060 of the Code and the applicable Treasury Regulations. The Parties shall not take, or cause or permit to be taken any position on any Tax Return which would be inconsistent with or prejudice the allocations set forth on the Final Allocation (or if applicable, the most recent revised Final Allocation). In any Claim related to the determination of any Tax, no Party (or their respective Affiliates) shall contend or represent that such Final Allocation (or if applicable, the most recent revised Final Allocation) is not a correct allocation. For the avoidance of doubt, the Parties agree that the Final Allocation shall not be binding for any purpose other than Tax purposes.

ARTICLE 9

CONDITIONS TO OBLIGATION TO CLOSE

(a) Conditions to Buyer’s Obligation. Buyer’s obligation to consummate the Transactions is subject to satisfaction of the following conditions:

(i) The representations and warranties of Seller, NRM and each Company set forth in Section 5 shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term “material,” or contain terms such as “Material Adverse Effect” or “Material Adverse Change,” in which case such representations and warranties (as so written, including the term “material” or “Material”) shall be true and correct in all respects at and as of the Closing Date, and except for changes resulting from the operation of the Business in the Ordinary Course of Business or otherwise permitted hereunder.

(ii) The representations and warranties of each Seller Executive set forth in Section 6 shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term “material,” or contain terms such as “Material Adverse Effect” or “Material Adverse Change,” in which case such representations and warranties (as so written, including the term “material” or “Material”) shall be true and correct in all respects at and as of the Closing Date.

(iii) Seller, NRM and each Company shall have performed and complied in all material respects with all of their respective covenants hereunder that are required to be performed or complied with at or prior to Closing, except to the extent that such covenants are qualified by the term “material,” or contain terms such as “Material Adverse Effect” or “Material Adverse Change,” in which case Seller, NRM and each Company shall have performed and complied with all of such covenants (as so written, including the term “material” or “Material”) in all respects at or prior to Closing;

(iv) The Parties shall have obtained all regulatory approvals necessary to consummate the Transaction, including, without limitation, approval from the CCC and such other Governmental Authorities as may be required to transfer ownership of the Cannabis Licenses and all other Permits from NRM and each Company to Buyer;

(v) The Transactions shall have been approved by the Board of Directors of Parent;

(vi) Buyer shall be satisfied with its due diligence of Seller, NRM and each Company in Buyer’s sole discretion, provided that this condition shall be deemed to have been satisfied unless Buyer terminates this Agreement within thirty (30) days following the Effective Date;

(vii) No Claim involving Seller, NRM or either Company shall be pending or threatened in writing before any Governmental Authority, arbitrator or mediator wherein an unfavorable Order would: (A) prevent consummation of any of the Transactions or any part thereof, (B) cause any element of the Transactions or any part thereof to be rescinded following consummation, (C) adversely affect the right of Buyer to own any NRM Common Stock or any Company Interests or to control NRM or either Company, or (D) adversely affect the right of NRM or either Company to own its assets and to operate its businesses (and no such Order shall be in effect);

(viii) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Order which is in effect and has the effect of making the Transactions contemplated by this Agreement or any portion thereof illegal (excepting illegality arising out of the Federal Cannabis Laws), restraining or prohibiting consummation of the Transactions or any portion thereof or causing the Transactions or any portion thereof to be rescinded following consummation;

(ix) Seller shall have delivered to Buyer a certificate to the effect that each of the conditions specified above in Section 9(a)(i), Section 9(a)(ii), Section 9(a)(iii) and Section 9(a)(vii) are satisfied in all respects;

(x) If reasonably requested by Buyer, Seller shall have, and shall have caused each of its members (and their respective Affiliates and Representatives) to, execute a subscription agreement or other documentation, in form and substance acceptable to Parent in its reasonable discretion, with respect to the Merger Stock Consideration to be issued to Seller at Closing;

(xi) Buyer shall have received, free and clear of all Liens, all certificates representing the NRM Common Stock and the Company Interests, properly endorsed, or, if the NRM Common Stock and/or the Company Interests are not certificated, an equity power and assignment separate from security for the NRM Common Stock and Company Interests, as applicable, in favor of Buyer, in each case in form and substance satisfactory to Buyer in its reasonable discretion;

(xii) All actions to be taken by Seller, NRM and each Company in connection with consummation of the Transactions and all certificates, instruments, and other documents required to effect the Transactions shall be delivered to Buyer, and shall be in form and substance satisfactory to Buyer in its reasonable discretion;

(xiii) The Lakeville Lease shall be in full force and effect;

(xiv) Valiant shall have obtained from the Landlord and delivered to Buyer an estoppel certificate with respect to the Lakeville Lease, dated no more than thirty (30) days prior to the Closing Date, in form and substance satisfactory to Buyer (the “**Estoppel Certificate**”);

(xv) Seller shall have delivered to Buyer a copy of the certificate of status or similar document of NRM and each Company issued within thirty (30) days of the Closing Date by the Secretary of State of Massachusetts showing each is in good standing in the Commonwealth of Massachusetts;

(xvi) Seller shall have delivered to Buyer a certificate of an officer or manager of NRM and each Company, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer, attesting to: (A) the certificate of incorporation or formation or similar organizational documents of such entity; (B) the operating agreement and/or bylaws of such entity; and (C) a resolutions of the directors, board of managers or other authorizing body (or a duly authorized committee thereof) of such entity authorizing the execution, delivery, and performance of this Agreement by such entity and the consummation of the Transactions by such entity;

(xvii) From the Effective Date, there shall not have occurred any Material Adverse Effect or Material Adverse Change with respect to NRM and the Companies (or NRM or either Company individually if such Material Adverse Effect or Material Adverse Change relates to the ability of NRM or the applicable Company to consummate the Transactions), nor shall any event or series or related events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect or Material Adverse Change to NRM and the Companies (or NRM or either Company individually if such Material Adverse Effect or Material Adverse Change relates to the ability of NRM or the applicable Company to consummate the Transactions);

(xviii) All Related Party Agreements shall have been terminated, except those specified by Buyer in writing in accordance with Section 7(h) hereof;

(xix) All Employee Benefit Plans shall have been terminated with respect to NRM and each Company.

(xx) [***];

- (xxi) The Landlord shall have approved the change of ownership of Valiant in writing;
- (xxii) All filings pursuant to the HSR Act, if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated;
- (xxiii) Seller shall have caused all of the Key Employees listed on the Key Employee Schedule to enter into the Retention Agreements within thirty (30) days of the Effective Date;
- (xxiv) Each of the Key Employees subject to a Retention Agreement shall be employed by NRM or a Company on the Closing Date;
- (xxv) [***] shall have entered into the [***] within sixty (60) days of the Effective Date;
- (xxvi) Buyer shall have received from Seller a duly executed IRS Form W-9 and a certificate of non-foreign status in the form and substance satisfactory to Buyer and consistent with the provisions of Treasury Regulation Section 1.1445-2(b)(2)(iv);
- (xxvii) [***]; and
- (xxviii) Seller (as the sole shareholder of NRM) shall have voted to approve or otherwise adopt in writing the plan of merger (as such term is used in the MBCA) contained in this Agreement.

Buyer may waive any condition specified in this Section 9(a) by executing and delivering to Seller a writing so stating at or prior to the Closing.

(b) Conditions to Sellers' Obligation. The obligation of Seller to consummate the Transactions is subject to satisfaction of the following conditions:

(i) The representations and warranties of Parent, Buyer, and Merger Sub set forth in Section 4 above shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date;

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(ii) Parent, Buyer, and Merger Sub shall have performed and complied in all material respects with all of their covenants hereunder that are required to be performed or complied with at or prior to Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Buyer shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Closing;

(iii) The Parties shall have obtained all regulatory approvals necessary to consummate the Transactions, including, without limitation, approval from the CCC and such other Governmental Authorities as may be required to transfer ownership of NRM and the Companies with the Cannabis Licenses and all other Permits to Buyer;

(iv) No Claim involving Parent, Buyer, or Merger Sub shall be pending or threatened in writing before any Governmental Authority, arbitrator or mediator wherein an unfavorable Order would: (A) prevent consummation of any of the Transactions or any part thereof; (B) cause any element of the Transactions or any part thereof to be rescinded following consummation (and no such Order shall be in effect);

(v) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Order which is in effect and has the effect of making the Transactions contemplated by this Agreement illegal (excepting illegality arising out of the Federal Cannabis Laws), restraining or prohibiting consummation of the Transactions or any portion thereof or causing the Transactions or any portion thereof to be rescinded following consummation;

(vi) Buyer shall have delivered to Seller a certificate to the effect that each of the conditions specified above in Section 9(b)(i), Section 9(b)(ii) and Section 9(b)(iv) are satisfied in all respects;

(vii) Buyer shall have paid the Merger Cash Consideration and the Company Interest Purchase Consideration to Seller;

(viii) Buyer, NRM and Valiant shall have jointly issued the Note to Seller;

(ix) Parent shall have issued the Merger Stock Consideration to Seller; and

(x) All actions to be taken by Parent, Buyer, and Merger Sub in connection with consummation of the Transactions and all certificates, opinions, instruments, and other documents required to effect the Transactions will be delivered to Seller and in form and substance reasonably satisfactory to Seller.

Seller may waive any condition specified in this Section 9(b) if it execute a writing so stating at or prior to the Closing.

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ARTICLE 10 REMEDIES FOR BREACHES OF THIS AGREEMENT

(a) Survival of Representations and Warranties.

(i) The Parties, intending to shorten the applicable statute of limitation period, agree that all representations and warranties of Seller, NRM and each Company contained in Section 5 of this Agreement will survive for eighteen (18) months following the Closing Date (or, in the case of termination, the effective date of such termination); except that the representations and warranties in Section 5(a) (*Organization*), Section 5(b) (*Authorization of Transactions*), Section 5(c) (*No Conflict or Violation*), Section 5(d) (*Consents and Approvals*), Section 5(f) (*Capitalization*), Section 5(g) (*Brokers' Fees*), Section 5(m) (*Legal Compliance; Permits*) and Section 5(gg) [***] (collectively, the "Seller Fundamental Representations") will survive the Closing Date indefinitely, and the representations and warranties made in Section 5(n) (*Taxation*), Section 5(y) (*Employees*) and Section 5(z) (*Employee Benefits*) (collectively, the "Tax and ERISA Representations" and together with Seller Fundamental Representations, the "Seller Excluded Representations") will survive the Closing Date (or, in the case of termination, the effective date of such termination) until sixty (60) days following the

expiration of all applicable statutes of limitations (without giving effect to any waiver, or extension thereof by a Company when owned by Buyer). All covenants and agreements made by Seller, NRM or either Company contained in this Agreement that by their nature contemplate survival beyond the Closing Date or termination of this Agreement (including the indemnification obligations of Seller set forth in this Section 10) will survive the Closing Date (or, in the case of termination, the effective date of such termination) until fully performed or discharged. Any Claim by Buyer for a breach of a representation, warranty or covenant by Seller, NRM or either Company contained in this Agreement must be delivered to Seller in writing prior to the applicable expiration date set forth in this Section 10(a). Notwithstanding the foregoing or anything contained herein to the contrary, any Claim by Buyer based on Seller's, NRM's or either Company's intentional misrepresentation, willful breach or fraud will survive indefinitely.

(ii) The Parties, intending to shorten the applicable statute of limitation period, agree that all representations and warranties of Parent, Buyer, and Merger Sub contained in Section 4 of this Agreement will survive for eighteen (18) months following the Closing Date, except that the representations and warranties in Section 4(a) (Organization), Section 4(b) (Authorization of Transactions), Section 4(c) (No Conflict or Violation), Section 4(d) (Consents and Approvals) and Section 4(e) (Brokers' Fees) (collectively, the "**Buyer Excluded Representations**") will survive the Closing Date indefinitely. All covenants and agreements made by Parent, Buyer, and Merger Sub contained in this Agreement that by their nature contemplate survival beyond the Closing Date or termination of this Agreement (including the indemnification obligations of Buyer set forth in this Section 10) will survive the Closing Date (or, in the case of termination, from the effective date of such termination) until fully performed or discharged. Any Claim by Seller for a breach of a representation, warranty or covenant by Parent, Buyer or Merger Sub contained in this Agreement must be delivered in writing to Buyer prior to the applicable expiration date set forth in this Section 10(b). Notwithstanding the foregoing or anything contained herein to the contrary, any Claim by Seller based on Parent's, Buyer's, or Merger Sub's intentional misrepresentation, willful breach or fraud will survive indefinitely.

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(iii) Written notice of any Claim for breach of representation, warranty or covenant delivered to the Party against whom such indemnification is sought prior to the above referenced applicable expiration date will survive thereafter and, as to any such Claim, such expiration, if any, will not affect the rights to indemnification under this Section 10 of the Party bringing such Claim.

(b) Indemnification by Seller: In the event Seller, NRM or a Company breaches (or in the event any third party alleges facts that, if true, would mean Seller, NRM or a Company has breached) any of its representations, warranties or covenants contained herein, and provided Buyer provides Seller with timely written notice of a Claim for which Buyer is seeking indemnification pursuant to Section 10(a)(i) hereof, Seller shall be obligated to indemnify, defend and hold Parent, Buyer, their Affiliates (including for the avoidance of doubt Merger Sub and the Companies after the Closing Date) and all their respective Representatives (collectively, the "**Buyer Parties**") harmless from and against the entirety of any Adverse Consequences a Buyer Party may suffer (including any Adverse Consequences a Buyer Party may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by such breach (or alleged breach). For the avoidance of doubt, this Section 10(b) shall survive the Closing (or, in the case of termination, the effective date of such termination).

(c) Indemnification by Buyer: In the event Parent, Buyer, or Merger Sub breaches (or in the event any third party alleges facts that, if true, would mean Parent, Buyer, or Merger Sub has breached) any of its representations, warranties or covenants contained herein, and provided Seller provides Buyer with timely written notice of a Claim for which Seller is seeking for indemnification pursuant to Section 10(a)(ii) hereof, Buyer shall be obligated to indemnify, defend and hold Seller harmless from and against the entirety of any Adverse Consequences Seller may suffer (including any Adverse Consequences Seller may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or alleged breach). For the avoidance of doubt, this Section 10(c) shall survive the Closing (or, in the case of termination, the effective date of such termination).

(d) Limitations on Indemnification.

(i) For purposes of this Section 10(d), the term "**Threshold**" means a dollar amount equal to \$500,000.

(ii) Subject to Section 10(d)(iii) hereof, Seller shall not be liable for any Adverse Consequences pursuant to Section 10(b) until the aggregate amount of all Adverse Consequences suffered by the Buyer Parties exceeds the Threshold, in which case, subject to Seller Maximum Indemnification Liability, the Buyer Parties will be entitled to recover all Adverse Consequences paid, incurred, suffered or sustained by the Buyer Parties (including, for the avoidance of doubt, the Threshold amount). For purposes hereof, the "**Seller Maximum Indemnification Liability**" shall be equal to Twenty-Two Million Dollars (\$22,000,000), except for any Claim by a Buyer Party arising from, related to or in connection with: (A) the Seller Excluded Representations, or (B) Seller's, NRM's, a Company's or any of their Affiliates' or Representatives intentional misrepresentation, willful breach or fraud, in which case Seller shall be responsible for all Adverse Consequences up to but not in excess of One Hundred and Ten Million Dollars (\$110,000,000).

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(iii) Notwithstanding anything contained herein to the contrary, including the provisions of Section 10(d)(ii) hereof, with respect to any Adverse Consequences paid, incurred, suffered or sustained by any Buyer Party resulting from, arising out of, relating to, in the nature of, or caused by the [***] or the Fee Structure Letter: (A) Seller shall be liable for all Adverse Consequences pursuant to Section 10(b) without regard to the Threshold; (B) all such Adverse Consequences shall not count towards the Threshold; and (C) the Seller Maximum Indemnification Liability shall not apply, and Seller shall be liable for all Adverse Consequences without limitation.

(iv) To the extent that Buyer receives a Tax refund or realizes a reduction in its Tax liabilities from having to make any payments as a result of or in connection with any Adverse Consequences, Seller's obligation to Buyer under this Section 10 shall be reduced to take into account any such Tax benefit realized (determined on a with-and-without basis) by the Buyer as a result of such Adverse Consequences.

(v) Seller shall not be obligated to indemnify any Buyer Party with respect to any Adverse Consequence to the extent that such Adverse Consequence was accounted for in an adjustment to the Purchase Price, or if the Adverse Consequences arise by reason of discrepancies in the Financial Statements that relate to the amounts due to or from NRM, on the one hand, and either Company, on the other hand, the net effect of which is to not alter the Financial Statements, but the Merger Consideration and the Company Interest Purchase Consideration, respectively, shall be adjusted to reflect all such changes as provided in Section 1(i) and Section 2(e).

(vi) Buyer shall not be liable for any Adverse Consequences pursuant to Section 10(c) until the aggregate amount of all Adverse Consequences suffered by Seller exceeds the Threshold, in which case, subject to the Buyer Maximum Indemnification Liability, Seller will be entitled to recover all Adverse Consequences paid, incurred, suffered or sustained by Seller (including, for the avoidance of doubt, the Threshold amount). For purposes hereof, the "**Buyer Maximum Indemnification Liability**" shall be equal to Twenty-Two Million Dollars (\$22,000,000), except for any Claim by Seller arising from, related to or in connection with: (A) a Buyer Excluded Representation, or (B) Buyer's or any of its Affiliates' intentional misrepresentation, willful breach or fraud, in which case Buyer shall be responsible for all Adverse Consequences up to but not in excess of One Hundred and Ten Million Dollars (\$110,000,000).

(e) Notification of Claims. In the event that any Person (the "**Indemnified Party**") becomes entitled to indemnification pursuant to this Agreement, the Indemnified Party may deliver to the other Party responsible for the indemnification (the "**Indemnifying Party**") a signed certificate (an "**Indemnification Notice**"), which certificate will: (i) state that a Claim for indemnification is being made; (ii) specify the section(s) of this Agreement that have been breached by the Indemnifying Party or any

other Person for whom the Indemnifying Party is responsible to provide indemnification for hereunder, (iii) state that Adverse Consequences have occurred or are reasonably likely to occur; and (iii) to the extent possible, specify in reasonable detail each individual Adverse Consequence including the amount thereof and the date such Adverse Consequence was incurred. In addition, each Indemnified Party will give notice to the Indemnifying Party promptly following its receipt of service of any Claim initiated by an unaffiliated third party which pertains to a matter for which indemnification may be sought hereunder (a “**Third-Party Claim**”); provided, however, that the failure to give such notice will not relieve the Indemnifying Party of its obligations hereunder if the Indemnifying Party has not been prejudiced thereby.

(f) Defense of Third-Party Claims.

(i) An Indemnifying Party will have the right to conduct the defense of the Third-Party Claims and to defend and conduct the defense of the Indemnified Party against the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as: (A) the Indemnifying Party notifies the Indemnified Party in writing within fifteen (15) days after the Indemnified Party has given notice of the Third-Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the successful assertion of the Third-Party Claim; (B) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third-Party Claim and fulfill its indemnification obligations hereunder; (C) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief; (D) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedent materially adverse to the continuing business interests or the reputation of the Indemnified Party or its Affiliates; (E) the Indemnifying Party conducts the defense of the Third-Party Claim with reasonable diligence; and (F) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to result in criminal proceedings against the Indemnified Party or its Affiliates.

(ii) So long as the Indemnifying Party is conducting the defense of the Third-Party Claim in accordance with Section 10(f)(i): (A) the Indemnified Party may retain separate co-counsel at his, her, or its sole cost and expense and participate in the defense of the Third-Party Claim; (B) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed); and (C) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) and without the Indemnified Party receiving an unconditional release of such Third-Party Claims.

(iii) In the event any of the conditions in Section 10(f)(i) above is or becomes unsatisfied, however: (A) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith); (B) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third-Party Claim (including reasonable attorneys’ fees and expenses); and (C) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Section 10.

(g) Direct Claims. In the event of a Claim for indemnification under this Agreement for which an Indemnified Party has provided notice of such Claim to an Indemnifying Party under this Section 10 (but excluding any Third-Party Claim) and the Indemnifying Party receiving such notice disputes all or any part of such Claim, then the Indemnified Party and the Indemnifying Party will first attempt to resolve such Claim through direct negotiations in good faith. No settlement reached in such negotiations under this Section 10(g) will be binding until reduced to a writing signed by the Indemnified Party and the Indemnifying Party. If the dispute is not resolved within twenty (20) business days after the date of delivery of such Claim, then such dispute will be resolved in accordance with Section 13(c). Nothing in this Section 10(g) will prevent any Party from seeking injunctive or other equitable relief in accordance with this Agreement.

(h) Holdback and Set-Off.

(i) Seller and Buyer agree that: (A) a number of shares of Parent Common Stock determined by dividing: (A) Eleven Million Five Hundred Thousand dollars (\$11,500,000) by (B) the Closing Parent Common Stock Price (the “**Holdback Shares**”); (B) the principal amount of the Note; and (C) all Monthly Milestone Accruals for which Parent has not yet issued Parent Common Stock to Seller, shall each be subject to holdback or set-off by Buyer in accordance with the remaining terms of this Section 10(h). The Holdback Shares, the Note and the Monthly Milestone Accruals shall constitute partial security for the satisfaction of all Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof.

(ii) All Holdback Shares shall contain a special legend which shall read as follows:

“THESE SECURITIES ARE FURTHER SUBJECT TO RESTRICTIONS ON TRANSFER AND SET-OFF, CANCELLATION AND FORFEITURE PURSUANT TO THE PROVISIONS OF THAT CERTAIN MERGER AND MEMBERSHIP INTEREST PURCHASE AGREEMENT BY AND AMONG JUSHI MA, INC., JUSHI INC., SAMMARTINO INVESTMENTS LLC, NATURE’S REMEDY OF MASSACHUSETTS, INC., MCMANN LLC, VALIANT ENTERPRISES, LLC AND THE OTHER PARTIES THERETO, DATED [●].”

(iii) The Holdback Shares shall be released to Seller according to the following schedule: (A) fifty percent (50%) of the Holdback Shares shall be released on the first (1st) anniversary of the Closing Date; and (B) fifty percent (50%) of the Holdback Shares shall be released on the second (2nd) anniversary of the Closing Date. Subject to the remaining provisions of this Section 10(h), Buyer shall instruct its transfer agent to remove the special legend on each Holdback Share on the date such Holdback Share is to be released to Seller.

(iv) All Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof shall first be satisfied from the Holdback Shares that have not been released to Seller. The number of Holdback Shares used to satisfy such Adverse Consequences shall be determined by dividing: (A) the amount of such Adverse Consequences, by (B) the Closing Parent Common Stock Price (rounded down to the nearest whole share). All Holdback Shares used to satisfy the Adverse Consequences suffered by a Buyer Party shall be cancelled by Buyer and Seller shall have no further right thereto or interest therein for any purpose.

(v) In the event the amount of any Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof exceeds the

value of the Holdback Shares that have not been released to Seller (determined by multiplying the number of Holdback Shares remaining by the Closing Parent Common Stock Price), Buyer shall then set-off the outstanding principal amount of the Note by the amount by which the Adverse Consequences exceed the value of the Holdback Shares that have not been released to Seller.

(vi) In the event the amount of any Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof exceeds the principal amount remaining on the Note, Buyer shall set-off the value of all Monthly Milestone Accruals for which Parent has not yet issued Parent Common Stock to Seller (and which have not previously been set-off pursuant to this Section 10(h)(vi)), if any, by the amount by which the Adverse Consequences exceed the principal amount remaining on the Note.

(vii) In the event the amount of any Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof exceeds the value of all Monthly Milestone Accruals for which Parent has not yet issued Parent Common Stock to Seller (and which has not previously been set-off pursuant to this Section 10(h)(vi)), if any, Seller shall pay to Buyer the difference in accordance with Section 10(i)(iv) hereof.

(viii) If there are any unresolved Claims by Buyer against Seller on the second (2nd) anniversary of the Closing Date (“**Unresolved Claims**”), and the outstanding principal amount of the Note is insufficient to satisfy the Adverse Consequences for which Seller is, responsible to a Buyer Party in connection with such Unresolved Claims, Buyer may retain, solely until such Unresolved Claims are resolved or satisfied, that portion of the remaining Holdback Shares as Buyer determines in its reasonable good faith to be necessary to satisfy such Unresolved Claims, with the value of each Holdback Share for the purpose of such determination equal to the Closing Parent Common Stock Price (the “**Retained Holdback Shares**”). To the extent any Retained Holdback Shares are not used to satisfy an Unresolved Claim, Buyer shall instruct its transfer agent to remove the special legend on such Retained Holdback Shares and such Retained Holdback Shares shall thereafter be released to Seller.

(i) Other Indemnification Matters.

(i) All indemnification payments made pursuant to this Section 10 will be treated as an adjustment to the Purchase Price unless otherwise required by Applicable Law.

(ii) The foregoing indemnification provisions are Seller’s exclusive remedy for Claims against Buyer and Buyer’s exclusive remedy for Claims against Seller, NRM or either Company, excluding Claims for equitable relief specifically permitted hereunder. For the avoidance of doubt, nothing contained herein shall limit any Claims by Buyer against a Seller Executive or any remedies at law or in equity available to Buyer in connection with Claims against any Seller Executive.

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(iii) Seller hereby agrees that Seller will not make any demand for indemnification, reimbursement, contribution or any other amount whatsoever from Merger Sub nor either Company in connection with Seller’s indemnification obligations set forth in this Section 10, and neither Merger Sub nor either Company shall have any obligation to indemnify, reimburse, contribute or pay any amount to Seller or any other Person in connection with Seller’s indemnification obligations under this Section 10.

(iv) Subject to the provisions of Section 10(h), all indemnification payments made pursuant to this Section 10 shall be paid by wire transfer of immediately available funds.

(v) Seller shall only be responsible for any Adverse Consequences suffered by a Buyer Party in connection with a breach of Section 8(g) by Seller, and not for breaches by any Seller Executives.

ARTICLE 11 TAX MATTERS

(a) Tax Matters. The following provisions shall govern the allocation of responsibility as between Buyer and Seller for certain Tax matters following the Closing Date:

(i) Seller will prepare or cause to be prepared and will file or cause to be filed all material Tax Returns (including any business, professional and occupational license Taxes or similar Taxes) for NRM and with respect to the Disregarded Entity Businesses for all Tax periods ending on or prior to the Closing Date (the “**Pre-Closing Tax Periods**”). Each Tax Return referred to in this Section 11(a)(i) will be prepared in a manner consistent with past practices and without a change of any election, accounting method or convention (in each case except as otherwise required by Applicable Law). At least thirty (30) days prior to the date on which each such Tax Return is due (with applicable extensions), Seller will submit such Tax Return to Buyer for review, and comment and approval (not to be unreasonably withheld, conditioned or delayed). Buyer will provide any written comments to Seller no later than fifteen (15) days after receiving any such Tax Return and, if Buyer does not provide any written comments within fifteen (15) days, Buyer will be deemed to have accepted such Tax Return. Buyer and Seller will attempt in good faith to resolve any dispute with respect to any such Tax Return. If Buyer and Seller are unable to resolve any such dispute at least five (5) days before the due date (with applicable extensions) for any such Tax Return, Seller shall make the final determination with respect to the issues underlying such dispute in a manner consistent with past practices and without a change of any election, accounting method or convention (in each case except as otherwise required by Applicable Law), and the applicable Tax Return shall be filed consistent with such final determination. McMann and Valiant are disregarded entities of Seller for income tax purposes pursuant to Treasury Regulations Section 301.7701-3(a) (and any comparable provision of state, local or foreign Tax Law). Therefore, both McMann’s and Valiant’s 2021 income, gain, loss and deduction through the Closing Date shall be reported on the U.S. federal income Tax Form 1065 and all comparable state, local or foreign income Tax Returns of the Seller for the Tax year ended December 31 of the year in which the closing occurs (or earlier if the Seller liquidates or ceases to exist) (the “**Seller Partnership Tax Returns**”), and there shall not be a separate 2021 U.S. federal income Tax return filed by McMann or Valiant. The Seller Partnership Tax Returns shall include the results and allocation of the Membership Interest Purchase Consideration as prepared in accordance with Section 8(h). The Seller Partnership Tax Returns shall be prepared in a manner that is consistent with the best practice of the Seller.

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(ii) Buyer will prepare or cause to be prepared and will file or cause to be filed all Tax Returns of Merger Sub and each Company and with respect to the Disregarded Entity Businesses that are required to be filed after the Closing Date with respect to any Straddle Period (excluding the Seller Partnership Tax Returns). Each Tax Return referred to in this Section 11(a)(ii) will be prepared in a manner consistent with past practices of the applicable entity and without a change of any election, accounting method or convention (in each case except as otherwise required by Applicable Law). At least thirty (30) days prior to the date on which each such Tax Return is due (with applicable extensions), Buyer will submit such Tax Return to Seller for review, and comment, and approval (not to be unreasonably withheld, conditioned or delayed). Seller will provide any written comments to Buyer no later than fifteen (15) days after receiving any such Tax Return and, if Seller does not provide any written comments within fifteen (15) days, Seller will be deemed to have accepted such Tax Return. Buyer and Seller will attempt in good faith to resolve any dispute with respect to any such Tax Return. If Buyer and Seller are unable to resolve any such dispute at least five (5) days before the due date (with applicable extensions) for any such Tax Return, Buyer shall make the final determination with respect to the issues underlying such dispute, and the applicable Tax Return shall be filed consistent with such final determination, unless not consistent with past practices of the applicable entity and without a change of any election, accounting method or convention (in each case except as otherwise required by Applicable Law).

(iii) For purposes of this Section 11, the portion of Tax with respect to the income, property or operations of NRM and each Company that is attributable to any Tax period that begins on or before the Closing Date and ends on or after the Closing Date (a “**Straddle Period**”) will be apportioned between the period of the Straddle Period that extends before the Closing Date through the Closing Date (the “**Pre-Closing Straddle Period**”) and the period of the Straddle Period that extends from the day after the Closing Date to the end of the Straddle Period (the “**Post-Closing Straddle Period**”) in accordance with this Section 11(a)(iii). The portion of such Tax attributable to the Pre-Closing Straddle Period will: (A) in the case of any Taxes other than sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits of the entities earned during a Straddle Period, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Straddle Period and the denominator of which is the number of days in the Straddle Period; and (B) in the case of any sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits of NRM or the Companies earned during a Straddle Period, be deemed equal to the amount that would be payable if the Straddle Period ended on and included the Closing Date. The portion of a Tax attributable to a Post-Closing Straddle Period will be calculated in a corresponding manner.

(iv) Seller will be liable for all Taxes owed with respect to any Tax Return and with respect to the Disregarded Entity Businesses for any Pre-Closing Tax Period and, in the case of a Tax Return for a Straddle Period, all Taxes attributable to the Pre-Closing Straddle Period, together with any out-of-pocket fees and expenses (including attorneys’ and accountants’ fees) incurred in connection therewith [***]. Seller shall pay to Buyer within fifteen (15) days after the date on which Seller receives written notice that Taxes are paid with respect to such periods in an amount equal to the portion of such Taxes which relates to the portion of such Pre-Closing Tax Period or Pre-Closing Straddle Period, as the case may be.

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(v) To the extent permitted by Applicable Law, any Tax deductions with respect to any selling expenses, transaction costs or similar expenses (including, without limitation, Seller Transaction Expenses) will be allocated to the Pre-Closing Tax Period or the Pre-Closing Straddle Period.

(vi) Seller and Buyer will cooperate fully in connection with the filing of Tax Returns pursuant to this Section 11 and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation will include (upon the other Party’s request) the provision of records and information that are available and reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Seller and Buyer further agree, upon the request of the other Party, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce, or eliminate any Tax that could be imposed (including, but not limited to, with respect to the Transactions).

(vii) Notwithstanding Section 10 or anything contained herein to the contrary, to the extent of any inconsistencies between Section 10 and this Section 11(a)(vii), this Section 11(a)(vii) will control any inquiries, assessments, proceedings or similar events with respect to Taxes. Buyer will promptly notify Seller: (A) upon receipt by Buyer or any Affiliate of Buyer of any notice of any audit or examination of any Tax Return of Surviving Company or either Company relating to any Pre-Closing Tax Period or Straddle Period and any other proposed change or Claim related to Taxes from any Tax authority relating to any Pre-Closing Tax Period or Straddle Period (a “**Tax Matter**”); or (B) prior to Buyer, Merger Sub or either Company initiating any Tax Matter with any Tax authority relating to any Pre-Closing Tax Period or Straddle Period. Seller may, at Seller’s sole cost and expense, participate in and, upon written notice to Buyer, assume the defense of any such Tax Matter; provided that the failure of Buyer to provide notices as required under this Section 11(a)(vii) will not negate Buyer’s right to indemnification under this Section 11 and Section 10 with respect to Tax Liabilities resulting from such Tax Matter except to the extent that Seller is prejudiced as a result of such failure. If Seller assumes such defense, then Seller will have the authority, with respect to any Tax Matter, to represent the interests of Surviving Company or the applicable Company before the relevant Tax authority and Seller will have the right to control the defense, compromise or other resolution of any such Tax Matter, subject to the limitations contained herein, including responding to inquiries, and contesting, defending against and resolving any assessment for additional Taxes or notice of Tax deficiency or other adjustment of Taxes of, or relating to, such Tax Matter. If Seller has assumed such defense, then Seller will be entitled to defend and settle such Tax Matter; provided, however, that Seller will not enter into any settlement of or otherwise resolve any such Tax Matter to the extent that it adversely affects the Tax Liability of Buyer, Surviving Company or any Affiliate of the foregoing for a post-Closing Tax period without the prior written consent of Buyer. Seller will keep Buyer informed with respect to the commencement, status and nature of any such Tax Matter and will, in good faith, allow Buyer to consult with Seller regarding the conduct of or positions taken in any such proceeding. Buyer shall have the right (but not the duty) to participate in the defense of such Tax Matter and to employ counsel, solely at its own expense, separate from the counsel employed by Seller. Except as otherwise provided in this Section 11(a)(vii), Buyer shall have the right, at its own expense, to exercise control at any time over any Tax Matter regarding any Tax Return of Surviving Company (including the right to settle or otherwise terminate any contest with respect thereto).

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(viii) Any refunds for Taxes (including any interest in respect thereof actually received from a Governmental Authority), net of reasonable expenses and net of any income Taxes of Buyer, Surviving Company or either Company or any of their respective Affiliates attributable to such refund, actually received by Buyer, Surviving Company or either Company, and any amounts credited against Taxes to which Buyer, Surviving Company or either Company, or any of their respective Affiliates become entitled and that reduce or could reduce the Taxes otherwise payable by Buyer, Surviving Company or either Company, or any of their respective Affiliates (including by way of any amended Tax return), related to, or resulting or arising, directly or indirectly from Taxes of NRM or either Company for any Pre-Closing Tax Period or Pre-Closing Straddle Period shall be for the benefit of Seller (excluding any refund or credit attributable to any loss in a tax year (or portion of a Straddle Period) beginning after the Closing Date applied (e.g., as a carryback) to income in a tax year (or portion of a Straddle Period) ending on or before the Closing Date).

(ix) Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 11 will survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus sixty (60) days and, except to the extent specifically set forth in Section 11(a)(vii) above, any indemnification obligations arising pursuant to this Section 11 will be subject to the provisions of Section 10 hereof.

ARTICLE 12 TERMINATION

(a) Termination of Agreement. This Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing Date:

(i) By mutual written consent of Buyer and Seller;

(ii) By either Buyer or Seller if a Governmental Authority will have issued an Order or taken any other action (excluding any Order or action arising under, relating to or in connection with the Federal Cannabis Laws), in each case that has become final and non-appealable and that restrains, enjoins or otherwise prohibits the Transactions or any part thereof; provided, that the right to terminate this Agreement under this Section 12(a)(ii) will not be available to any Party whose failure to fulfill any material obligation under this Agreement has resulted in the issuance of such Order or caused such action;

(iii) By Buyer upon written notice to Seller within thirty (30) days following the Effective Date if Buyer is not satisfied, in its sole discretion, with its due diligence of Seller, NRM or either Company;

(iv) By Buyer upon written notice to Seller at any time prior to Closing if: (A) Seller, NRM or a Company has breached any representation, warranty or covenant contained in this Agreement in any material respect and; (1) the breach cannot be cured, or (2) the breach can be cured, but has continued without cure for a period of thirty (30) days after Seller informs Buyer in writing, or Buyer informs Seller in writing, as the case may be, of such breach; (B) Buyer determines that there has been, or is reasonably likely to be, a failure of a condition precedent to Buyer's obligation to consummate the Transactions; (C) Buyer determines there has been, or is reasonably likely to be, a Material Adverse Effect on, or a Material Adverse Change to, NRM and the Companies (or NRM or either Company individually if such Material Adverse Effect or Material Adverse Change relates to the ability of NRM or the applicable Company to consummate the Transactions); (D) the Closing has not occurred by the first anniversary of the Effective Date;

(v) By Buyer upon written notice to Seller on the calendar day immediately preceding the Closing Date if the average of the daily VWAPs for a share of Parent Common Stock (in US Dollars) on the fifteen (15) Trading Days immediately preceding the Closing Date is equal to or less than eighty percent (80%) of the Effective Date Parent Common Stock Price;

(vi) By Seller upon written notice to Buyer at any time prior to Closing if: (A) Parent, Buyer, or Merger Sub has breached any representation, warranty or covenant contained in this Agreement in any material respect; and (1) the breach cannot be cured, or (2) Seller has notified Buyer of the breach in writing, and the breach has continued without cure for a period of thirty (30) days after receipt by Buyer of the written notice of breach; or (B) the Closing has not occurred by the first anniversary of the Effective Date; or

(vii) By Seller upon written notice to Buyer on the calendar day immediately preceding the Closing Date if the average of the daily VWAPs for a share of Parent Common Stock (in US Dollars) on the fifteen (15) Trading Days immediately preceding the Closing Date is equal to or less than sixty percent (60%) of the Effective Date Parent Common Stock Price.

(b) Effect of Termination. If this Agreement is terminated and the Transactions contemplated herein are abandoned prior to Closing pursuant to Section 12(a), this Agreement will forthwith become void, without Liability on the part of any Party hereto (except for the provisions of this Section 12(b) and Section 10, Section 11, Section 13(b), Section 13(c), Section 13(d) and Section 13(q), and such other provisions herein that contemplate survival beyond termination of this Agreement, all of which shall all survive such termination), and all rights and obligations of each Party will cease and be of no further force or effect, except that nothing in this Section 12(b) will relieve any Party from Liability imposed upon such Party pursuant to any Section of this Agreement that survives termination.

ARTICLE 13 MISCELLANEOUS

(a) Further Assurances. Following the Closing Date, each Signatory will cooperate in good faith with each other Signatory and will take all commercially reasonable actions which may be reasonably necessary or advisable to carry out and consummate the Transactions.

(b) Notices. Unless otherwise provided in this Agreement, any agreement, notice, request, instruction or other communication to be given hereunder will be in writing and: (i) delivered personally (such delivered notice to be effective on the date it is delivered), (ii) deposited with a reputable overnight courier service for next business day delivery (such couriered notice to be effective one (1) business day after the date it is sent by courier), or (iii) sent by e-mail (with electronic confirmation of delivery or receipt), as follows:

If to Seller, Brady, Carr or Lundberg:

Sammartino Investments LLC
69 Milk Street, Suite 110
Westborough, MA 01581
E-mail: [***]

With a copy to (which shall not constitute notice):

Prince Lobel Tye LLP
One International Place
Boston, MA 02210
Attn: John F. Bradley
Email: [***]

If to Buyer:

c/o Jushi Inc.
Attn: Legal Department
1800 NW Corporate Blvd, Suite 200
Boca Raton, FL 33431
Email: [***]

Buyer or Seller (on behalf of itself, Brady, Carr and Lundberg) may, upon written notice to the other Party, designate any other address or facsimile number to which, and any other Person to whom or which, a copy of any such notice, request, instruction or other communication should be sent.

(c) Governing Law; Dispute Resolution.

(i) All issues and questions concerning the application, construction, validity, interpretation, and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

(ii) Each Signatory hereby agrees that any Claim seeking to enforce any provision of, or based on any matter arising out of or in connection with, this

Agreement or the Transactions, whether in contract, tort, or otherwise, shall be brought exclusively in the state courts of the Commonwealth of Massachusetts located in Suffolk County. Each Signatory hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court or that any such suit, action, or proceeding which is brought in any such court has been brought in an inconvenient forum.

(iii) EACH SIGNATORY WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CAUSE OF ACTION BASED UPON OR ARISING OUT OR RELATED TO THIS AGREEMENT IN ANY CLAIM OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY SIGNATORY AGAINST ANY OTHER SIGNATORY OR ANY AFFILIATE OF ANY OTHER SIGNATORY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. EACH SIGNATORY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH SIGNATORY FURTHER AGREES THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY CLAIM, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(d) Expenses. Except to the extent expressly provided to the contrary in this Agreement: (i) Seller will pay all legal, accounting and other expenses of: (A) Seller related to this Agreement; and (B) NRM and each Company related to this Agreement that are incurred prior to the Closing Date; and (ii) Buyer will pay all legal, accounting and other expenses of: (A) Buyer, Parent and Merger Sub related to this Agreement; and (B) each Company related to this Agreement that are first incurred on or after the Closing Date. Seller and/or each Seller Executive shall pay all legal, accounting, and other expenses of such Seller Executive.

(e) Titles. The headings of the articles and sections of this Agreement are inserted for convenience of reference only, and will not affect the meaning or interpretation of this Agreement.

(f) Waiver. No failure of any Signatory to require, and no delay by any Signatory in requiring, any other signatory to comply with any provision of this Agreement will constitute a waiver of the right to require such compliance. No failure of any Signatory to exercise, and no delay by any Signatory in exercising, any right or remedy under this Agreement will constitute a waiver of such right or remedy. No waiver by any Signatory of any right or remedy under this Agreement will be effective unless made in writing. Any waiver by a Signatory of any right or remedy under this Agreement will be limited to the specific instance and will not constitute a waiver of such right or remedy in the future.

(g) Effective; Binding. This Agreement will be effective upon the due execution hereof by each Signatory. Upon becoming effective, this Agreement will be binding upon each Signatory and its successors and permitted assigns, and will inure to the benefit of, and be enforceable by, each Signatory and its successors and permitted assigns.

(h) Assignment. Neither Seller, NRM, either Company nor any Seller Executive may assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of Buyer, which may be granted or withheld in Buyer's sole discretion. Buyer may not assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of Seller, which may be granted or withheld in Seller's sole discretion, provided that Buyer may assign all or any of its rights or obligations under this Agreement to one or more Affiliates of Buyer upon prior written notice to Seller (but without the consent of Seller), provided that Buyer will remain liable hereunder for the obligations of the assignee notwithstanding any such assignment.

(i) Entire Agreement. This Agreement contains the entire agreement between the Signatories with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued, accepted or acquiesced in, and each written or oral agreement and representation previously made, by the Signatories with respect to the subject matter of this Agreement.

(j) Modification. No course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation made in the future, by any Signatory, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, will modify, amend or terminate this Agreement, impair or otherwise affect any obligation of any Signatory pursuant to this Agreement or otherwise operate as a waiver of any such right or remedy. No modification or amendment of this Agreement will be effective unless made in writing duly executed by Seller and Buyer, provided that any modification or amendment to Section 8(g) that affects the rights, duties or obligations of a Seller Executive shall be executed by the affected Seller Executive.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. Any Signatory may execute this Agreement by facsimile (or other means of electronic transmission, such as by electronic mail in ".pdf" form) signature and the other Signatories will be entitled to rely on such facsimile (or other means of electronic transmission) signature as evidence that this Agreement has been duly executed by such Signatory.

(l) Time is of the Essence. It is understood by each Signatory that time is of the essence hereof in connection with all obligations of under this Agreement.

(m) Usage of Terms. Except where the context otherwise requires, words importing the singular number will include the plural number and vice versa. Use of the word "including" means "including, without limitation."

(n) References to Sections and Schedules. All references in this Agreement to Sections (and other subdivisions) and Schedules refer to the corresponding Sections (and other subdivisions) and Schedules of or attached to this Agreement, unless the context expressly, or by necessary implication, otherwise requires. The Recitals and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(o) No Third-Party Beneficiaries. Except to the extent expressly provided to the contrary in this Agreement, this Agreement shall not confer any rights or remedies upon any Person other than the Signatories and their respective successors and permitted assigns.

(p) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(q) **Specific Performance.** Each Signatory acknowledges and agrees that the other Signatory would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached, so that a Signatory shall be entitled to seek injunctive relief to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in addition to any other remedy to which such Signatory may be entitled, at law or in equity. In particular, the Signatories acknowledge and agree that in the event Seller or any Seller Executive breach this Agreement, money damages would be inadequate and Buyer would have no adequate remedy at law, so that Buyer shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the other Signatories' obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief.

(r) **GENERAL RELEASE AND DISCHARGE.** BY VIRTUE OF THE SELLER'S EXECUTION AND DELIVERY OF THIS AGREEMENT, AS OF THE CLOSING AND THEREAFTER, SELLER, FOR AND ON BEHALF OF ITSELF AND ITS SUCCESSORS, ASSIGNS, BENEFICIARIES, ADMINISTRATORS, AND AFFILIATES (THE "**RELEASING PARTIES**") DO HEREBY FULLY AND IRREVOCABLY REMISE, RELEASE AND FOREVER DISCHARGE NRM AND EACH COMPANY, AND NRM'S AND EACH COMPANY'S CURRENT AND FORMER DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS, AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ACCOUNTANTS, SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS (AS DEFINED HEREIN) AND LIABILITIES (AS DEFINED HEREIN) OF EVERY KIND, EITHER IN LAW OR IN EQUITY, WHETHER CONTINGENT, MATURE, KNOWN OR UNKNOWN, OR SUSPECTED OR UNSUSPECTED, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS ARISING UNDER ANY APPLICABLE LAW, WHETHER ARISING IN CONTRACT OR IN TORT, THAT THE RELEASING PARTIES EVER HAD, NOW HAVE OR MAY HAVE, FOR OR BY REASON OF ANY CAUSE, MATTER OR THING WHATSOEVER, FROM THE BEGINNING OF THE WORLD TO THE DATE HEREOF. NOTWITHSTANDING THE FOREGOING, THE RELEASING PARTIES DO NOT WAIVE OR RELEASE ANY RIGHTS OF SELLER CREATED PURSUANT TO THE TERMS OF THIS AGREEMENT AND ANY AGREEMENT ENTERED IN CONNECTION WITH THIS AGREEMENT.

(s) **Regulatory Compliance.** This Agreement is subject to strict requirements for ongoing regulatory compliance by the Signatories, including, without limitation, requirements that the Signatories take no action in violation of the Massachusetts Cannabis Laws or the requirements, guidance or instruction of the CCC. The Signatories acknowledge and understand that the Massachusetts Cannabis Laws and/or the requirements, guidance or instruction of the CCC are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. If necessary or desirable to comply with the requirements of the Massachusetts Cannabis Laws and/or the requirements, guidance or instruction of the CCC, the Signatories hereby agree to promptly (and agree to cause their Affiliates and all of their respective Representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure approval of the CCC for the transfer of the Permits in compliance with the Massachusetts Cannabis Laws and/or the requirements, guidance or instruction of the CCC, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the signatories' original intentions but are responsive to and compliant with the requirements of the Massachusetts Cannabis Laws and/or the requirements, guidance or instruction of the CCC. In furtherance, and not in limitation of the foregoing, the Signatories further agree to respond to any informational requests, supplemental disclosure requirements, or other correspondence from the CCC and, to the extent permitted by the CCC, keep all other Signatories hereto fully and promptly informed as to any such requests, requirements, or correspondence.

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ARTICLE 14 DEFINITIONS

As used in this Agreement, the following terms will have the meanings set forth below:

"Accounts Payable" means, without duplication, as of any date of determination, all bona fide accounts and notes payable, as applicable, including all checks written on "zero balance" or other bank accounts, if any, on or prior to the date of determination which have not cleared as of the date of determination, and which shall be determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, and with consistent classifications, judgments and valuation and estimation methodologies, that were used in the preparation of the Audited Financial Statements, but shall not include: (a) any accounts or notes payable to Seller, its Affiliates (other than NRM and the Companies) or any of their respective Representatives; (b) any accounts or notes payable exclusively between or among NRM and the Companies; (c) any NRM Transaction Expenses; or (d) any Companies Transaction Expenses.

"Accounts Receivable" means, without duplication, as of any date of determination, all bona fide trade accounts and notes receivable from the sale of goods to third-party customers, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, and with consistent classifications, judgments and valuation and estimation methodologies, that were used in the preparation of the Audited Financial Statements, but which shall not include, without limitation: (a) any accounts or notes receivable from Seller, its Affiliates (other than NRM and the Companies) or any of their respective Representatives; (b) any accounts or notes receivable exclusively between or among NRM and the Companies; (c) accounts or notes receivable pursuant to any Lease; and (d) any accounts or notes receivable classified as "Doubtful Accounts" or for which NRM or a Company, as applicable, has made an allowance, in each case as set forth in the Audited Financial Statements.

"Acquisition Proposal" means any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) concerning (a) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving Seller, NRM, a Company or any of their respective Affiliates; (b) the issuance or acquisition of any equity securities of Seller, NRM, a Company or any of their respective Affiliates (including without limitation the NRM Common Stock and the Company Interests); (c) [***], the sale, lease, transfer, exchange or other disposition of any significant portion of NRM's or a Company's properties or assets or any of NRM's or a Company's Permits; or (d) any other transaction similar to the Transaction, or that could reasonably be expected to hinder, restrict or affect the ability of the Parties to consummate the Transactions in a timely manner.

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"Additional Merger Consideration" has the meaning set forth in Section 1(f).

"Adverse Consequences" means any Claim, Order, Lien or Liability.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"Agreement" has the meaning set forth in the preface to this Agreement.

"Applicable Law" or **"Applicable Laws"** means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person's properties or assets, including but not limited to the Massachusetts Cannabis Laws. Notwithstanding the foregoing, neither "Applicable Law" nor "Applicable Laws" shall include the Federal Cannabis Laws.

"Applications" means any applications, materials and other correspondences (including, without limitation, attachments, exhibits, variances and appendices)

submitted to the CCC, the Town of Lakeville, the Town of Millbury, the Town of Tyngsborough, the Town of Grafton, or any other Governmental Authority in connection with the Massachusetts Cannabis Laws.

“**Articles of Merger**” has the meaning set forth in Section 3(a).

“**Assets**” has the meaning set forth in Section 8(h)(ii).

“**Audited Financial Statements**” has the meaning set forth in Section 7(n).

“**Benefit Arrangement**” means any employment, severance or similar contract, arrangement or policy and each plan or arrangement providing for insurance coverage (including any self-insured arrangements), workers’ compensation, disability benefits, supplemental employment benefits, vacation benefits, retirement benefits, deferred compensation, bonuses, profit-sharing, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement compensation or benefit.

“**Brady**” has the meaning set forth in the preface to this Agreement.

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“**Buyer**” has the meaning set forth in the preface to this Agreement.

“**Buyer Excluded Representations**” has the meaning set forth in Section 10(a)(ii).

“**Buyer Maximum Indemnification Liability**” has the meaning set forth in Section 10(d)(vi).

“**Buyer Parties**” has the meaning set forth in Section 10(b).

“**Cannabis Licenses**” means the Cultivation License, the Manufacturing License, the Medical License and the Retail Licenses.

“**Carr**” has the meaning set forth in the preface to this Agreement.

“**CCC**” has the meaning set forth in the Recitals to this Agreement.

“**Claim**” means any claim, action, cause of action, demand, lawsuit, arbitration, notice of deficiency, audit, charge, notice of violation, complaint, proceeding, injunction, hearing, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

“**Closing**” has the meaning set forth in Section 3(a).

“**Closing Date**” has the meaning set forth in Section 3(a).

“**Closing Parent Common Stock Price**” means the price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the Closing Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the Trading Day immediately preceding the Closing Date.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Companies Accepted Reconciliation Item**” has the meaning set forth in Section 2(e)(iii).

“**Companies Closing Indebtedness Amount**” has the meaning set forth in Section 2(d)(i).

“**Companies Closing Indebtedness Schedule**” has the meaning set forth in Section 2(d)(i).

“**Companies Closing Net Working Capital**” has the meaning set forth in Section 2(e)(i).

“**Companies Closing Tax Amount**” has the meaning set forth in Section 2(d)(iii).

“**Companies Disputed Reconciliation Item**” has the meaning set forth in Section 2(e)(iii).

“**Companies Estimated Closing Adjustment Amount**” has the meaning set forth in Section 2(c)(ii).

“**Companies Estimated Closing Net Working Capital**” has the meaning set forth in Section 2(c)(i).

“**Companies Negative Closing Net Working Capital Amount**” has the meaning set forth in Section 2(c)(ii).

“**Companies Net Working Capital**” means, as of any date of determination, the sum of the Companies’ Current Assets minus the Companies’ Current Liabilities, without giving effect to the consummation of the Transactions, and adjusted to exclude: (a) Accounts Receivable of either Company aged beyond one hundred and twenty (120) days of the earlier of the applicable invoice issuance date and the payment due date; and (b) damaged, obsolete or otherwise unsaleable Inventory of either Company, or Inventory of either Company older than one hundred and twenty (120) days, in each case as reflected on the Audited Financial Statements.

“**Companies Net Working Capital Statement**” has the meaning set forth in Section 2(c)(i).

“**Companies Net Working Capital Target**” means negative US\$125,000.

“**Companies Positive Closing Net Working Capital Amount**” has the meaning set forth in Section 2(c)(ii).

“Companies Reconciliation Items” has the meaning set forth in Section 2(e)(i).

“Companies Reconciliation Period” has the meaning set forth in Section 2(e)(i).

“Companies Reconciliation Statement” has the meaning set forth in Section 2(e)(i).

“Companies Resolution Period” has the meaning set forth in Section 2(e)(iv).

“Companies Review Period” has the meaning set forth in Section 2(e)(ii).

“Companies Statement of Objections” has the meaning set forth in Section 2(e)(iii).

“Companies Transaction Expenses” means all (a) the costs, fees and expenses incurred by either Company in connection with the Transaction for investment bankers, third-party consultants, legal counsel, accountants and other advisors, and (b) change in control, retention, or transaction-related bonus amounts payable to, or for the benefit of, employees, officers, managers, contractors or directors of either Company as a consequence of the transactions contemplated by this Agreement, whenever payable, including any Taxes that become payable by either Company or Seller in connection therewith, in each of the foregoing clauses (a) and (b) to the extent unpaid as of the Closing Date.

“Companies Transaction Expense Schedule” has the meaning set forth in Section 2(d)(ii).

“Company” or **“Companies”** has the meaning set forth in the preface to this Agreement.

“Company Interests” has the meaning set forth in the Recitals to this Agreement.

“Company Interest Purchase” has the meaning set forth in the Recitals to this Agreement.

“Company Interest Purchase Closing” has the meaning set forth in Section 3(a).

“Company Interest Purchase Consideration” has the meaning set forth in Section 2(b).

“Competing Activity” means the engagement, directly or indirectly, in the business of obtaining Adult Use or Medical Marijuana Cultivation licenses and/or Adult Use or Medical Marijuana Retail licenses or operating a business under an Adult Use or Medical Marijuana Cultivation license and/or an Adult Use or Medical Marijuana Retail license, except to the extent the foregoing activities are at the direction of, and solely for the benefit of, Buyer or its Affiliates (including NRM and each Company after the Closing Date).

“Competing Tyngsborough Dispensary” means an adult use cannabis retail dispensary which is open for ongoing sales to the public and is located in the Town of Tyngsborough.

“Confidential Information” has the meaning set forth in Section 8(d).

“Cultivation License” has the meaning set forth in the Recitals to this Agreement.

“Current Assets” means: (a) with respect to NRM, all Operating Cash, Accounts Receivable, Inventory and Prepaid Expenses of NRM; and (b) with respect to the Companies, all Operating Cash, Accounts Receivable, Inventory and Prepaid Expenses of the Companies on a consolidated basis.

“Current Liabilities” means: (a) with respect to NRM, all Accounts Payable and Other Current Liabilities of NRM; and (b) with respect to the Companies, all Accounts Payable and Other Current Liabilities of the Companies on a consolidated basis, in each case excluding all Indebtedness and all operating Lease rent payables other than past due rent.

“Data Laws” means laws, regulations, guidelines, and rules in any jurisdiction (federal, state, local, and non-U.S.) applicable to data privacy, data security, and/or personal information, including the Federal Trade Commission’s Fair Information Principles, as well as industry standards applicable.

“Disclosure Schedule” has the meaning set forth in Section 5.

“Disregarded Entity Businesses” has the meaning set forth in the Recitals to this Agreement.

“Draft Allocation” has the meaning set forth in Section 8(h)(ii).

“Draft Allocation Dispute Notice” has the meaning set forth in Section 8(h)(ii).

“Draft Allocation Dispute Period” has the meaning set forth in Section 8(h)(iii).

“Draft Allocation Review Period” has the meaning set forth in Section 8(h)(ii).

“Effective Date” has the meaning set forth in the preface to this Agreement.

“Effective Date Parent Common Stock Price” means the price per share reference price for a share of Parent Common Stock equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the Effective Date.

“Effective Time” has the meaning set forth in Section 3(a).

“Employee Benefit Plan” means, collectively, all Employee Pension Benefit Plans, Employee Welfare Benefit Plans and Benefit Arrangements.

“**Employee Pension Benefit Plan**” will have the meaning set forth in ERISA Section 3(2), which is not a Multiemployer Plan).

“**Employee Welfare Benefit Plan**” will have the meaning set forth in ERISA Section 3(1).

“**Enforceability Limitations**” mean (a)bankruptcy, insolvency, reorganization, moratorium or similar Law now or hereafter in effect relating to creditors’ rights, (b)the discretion of the appropriate court with respect to specific performance, injunctive relief or other terms of equitable remedies, and (c)limitations regarding the enforceability of contracts under federal law in violation of the Federal Cannabis Laws.

“**Environment**” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

“**Environmental Law**” means any Applicable Law that requires or relates to: (a)advising appropriate Governmental Authorities, employees, and/or the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencement of activities, such as resource extraction or construction, that could have significant impact on the Environment; (b)preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment; (c)reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated; (d)assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of; (e)protecting resources, species, or ecological amenities; (f)reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances; (g)cleaning up pollutants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or (h)making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

“**Environmental, Health, and Safety Liabilities**” means any Adverse Consequence (including, without limitation, any investigatory, corrective or remedial obligation), or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to: (a)any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products); (b)investigative, remedial, inspection or other Liabilities arising under Environmental Law or Occupational Safety and Health Law; (c)Liabilities for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such investigation, cleanup, removal, containment, or other remediation or response actions have been required or requested by any Governmental Authority or any other Person) and for any natural resource damages; or (d)any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms “removal,” “remedial,” and “response action,” include the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., as amended.

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“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**Estoppel Certificate**” has the meaning set forth in Section 9(a)(xiv).

“**Federal Cannabis Laws**” means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another’s felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960, the regulations and rules promulgated under any of the foregoing and any other federal law, regulation or rule prohibiting, punishing, regulating or creating any form of liability for the cultivation, productions and marketing of cannabis that is otherwise in compliance with the Massachusetts Cannabis Laws.

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“**Final Allocation**” has the meaning set forth in Section 8(h)(ii).

“**Financial Statements**” has the meaning set forth in Section 5(j).

“**Finished Goods Inventory**” means all inventory classified as “Finished Goods” in accordance with GAAP using the definition applied to the Audited Financial Statements, and that (a) have passed independent third-party testing; and (b) are not subject to a destruction order or indefinitely quarantined at the time of determination.

“**First Milestone Period**” shall mean the period beginning on the Closing Date and ending on the one (1) year anniversary of the Closing Date.

“**First Milestone Period Outside Opening Date**” has the meaning set forth in Section 1(f)(ii).

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“**GAAP**” means United States generally accepted accounting principles as in effect from time to time, consistently applied.

“**Governmental Authority**” means any federal, state, commonwealth, provincial, municipal, local or foreign government, or any political subdivision thereof, or any court, agency or other entity, body, organization or group, exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government, or any supranational body, arbitrator, court or tribunal of competent jurisdiction.

“**Hazardous Materials**” means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor, silica or silica-containing materials and asbestos or asbestos-containing materials.

“**Holdback Shares**” has the meaning set forth in Section 10(h)(i).

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“**Improvements**” has the meaning set forth in Section 5(o)(iv).

“Indebtedness” means, with respect to any Person as of any date of determination and without duplication: (a)all obligations of such Person for borrowed money, including, without limitation, all obligations for principal and interest, and for prepayment and other penalties, fees, costs and charges of whatsoever nature with respect thereto, (b)all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person, (c)all obligations of such Person issued or assumed as the deferred purchase price of property or services, (d)all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or encumbrance on property owned or acquired by such Person whether or not the obligations secured thereby have been assumed or is nonrecourse to the credit of that Person, (e)all capital lease obligations of such Person (as defined under GAAP), (f)all obligations (including but not limited to reimbursement obligations) relating to the issuance of letters of credit for the account of such Person, (g)all obligations arising out of interest rate and currency swap agreements, cap, floor and collar agreements, interest rate insurance, currency spot and forward contracts and other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates, (h)all obligations of such Person to its shareholders, members, partners or other equity-holders; (i)all any amounts, fines or monetary penalties asserted against such Person by any Governmental Authority (other than related to Taxes); and (j)obligations in the nature of guarantees of obligations of the type described in clauses (a)through (i)above of any other Person. Notwithstanding the foregoing, for purposes of this Agreement the term “Indebtedness” shall not include any obligations exclusively between or among NRM and each Company.

“Indemnification Notice” has the meaning set forth in Section 10(e).

“Indemnified Party” has the meaning set forth in Section 10(e).

“Indemnifying Party” has the meaning set forth in Section 10(e).

“Independent Accountant” has the meaning set forth in Section 1(i)(v).

“Infrastructure Improvements” has the meaning set forth in Section 7(t).

“Infrastructure Improvement Schedule” has the meaning set forth in Section 7(t).

“Intellectual Property” means all intellectual property of any kind or nature whatsoever including, without limitation: (a)all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof, (b)all trademarks, service marks, trade dress, logos, trade names, and limited liability company names, together with all translations thereof, all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c)all copyrightable works, all copyrights, and all applications, registrations and renewals in connection therewith, (d)all trade secrets and Confidential Information (including ideas, research and development, know-how, formulas, recipes, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (e)all computer software (including data and related documentation and including software installed on hard disk drives) other than off-the-shelf computer software subject to shrink-wrap or click-through licenses, (f)web sites, website domain names, social media accounts and passwords and other e-commerce and social media assets, (g)all copies and tangible embodiments of any of the foregoing (in whatever form or medium), and (h) all Applications and all documentation incorporated therein.

“Inventory” means all Finished Goods Inventory and Other Inventory.

“Inventory Count” has the meaning set forth in Section 1(g)(i).

“IRS” means the United States Internal Revenue Service.

“Key Employee” has the meaning set forth in Section 7(q)(iii).

“Key Employee Schedule” has the meaning set forth in Section 7(q)(iii).

“Knowledge” means: (a)with respect to any Person that is a corporation, the actual knowledge of any director or senior officer; and (b)with respect to any Person that is a limited liability company, the actual knowledge of any manager or senior officer, in each case after due inquiry.

“Lakeville Lease” shall mean that certain Amended and Restated Lease Agreement by and between Valiant and Landlord, dated April 22, 2020, for the property located at 310 Kenneth Welch Drive, Lakeville, MA 02347.

“Landlord” means [***].

“Lease” or **“Leases”** means all leases, subleases, ground leases, licenses or other agreements, including all amendments, extensions, renewals, guaranties or other agreements with respect thereto, under which NRM or a Company uses or occupies or has the right to use or occupy any real property other than [***].

“Leased Real Property” shall mean the leasehold or subleasehold interests and any other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interests in real property held by NRM or a Company pursuant to a Lease, and includes all rights, privileges, interests, easements, hereditaments and appurtenances thereunto in any way incident, appertaining or belonging thereto.

“Liability” or **“Liabilities”** means any liability or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including, without limitation, all losses, damages, dues, penalties, fines, costs and expenses (including court costs and reasonable attorneys’ fees and expenses), amounts paid in connection with a settlement, compromise or judgement, and Taxes.

“Lien” means any mortgage, pledge, lien (statutory or other), encumbrance, easement, encroachment, right of way, right of first refusal, option, charge, or other security interest.

“Listed Intellectual Property” has the meaning set forth in Section 5(p)(ii).

“Local Agreements” means: (a)that certain Host Community Agreement, dated as of September 17, 2019, by and between NRM and the Town of Grafton, a Massachusetts municipal corporation; (b)that certain Host Community Agreement, dated as of January 3, 2018, by and between NRM and the Town of Millbury, a

Massachusetts municipal corporation, as amended by that certain First Amendment to Host Community Agreement, dated as of August 16, 2018, by and between NRM and the Town of Millbury, a Massachusetts municipal corporation; (c) that certain Host Community Agreement, dated as of November 7, 2018, by and between NRM and the Town of Tyngsborough, a Massachusetts municipal corporation; (d) that certain Host Community Agreement, dated as of September 25, 2018, by and between NRM and the Town of Lakeville, a Massachusetts municipal corporation; and (e) that certain Host Community Agreement, dated as of June 2018, by and between NRM and the Town of Lakeville, a Massachusetts municipal corporation.

“**Lundberg**” has the meaning set forth in the preface to this Agreement.

“**Manufacturing License**” has the meaning set forth in the Recitals to this Agreement.

“**Massachusetts Cannabis Laws**” means Commonwealth of Massachusetts Chapter 269 of the Acts of 2012, M.G.L. c. 94I, and 935 CMR 501.000 et. seq., St. 2016, c. 334 as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000 et. seq.

“**MassCIP**” means the Massachusetts Cannabis Industry Portal operated by the CCC.

“**Material Adverse Effect**” or “**Material Adverse Change**” means, with respect to NRM and each Company, any event, occurrence, fact, condition, or change that would be (or would reasonably be expected to be) materially adverse to the business, assets, condition (financial or otherwise), operating results or operations of NRM and the Companies taken as a whole, or to the ability of NRM or either Company to consummate the Transactions contemplated hereby, and with respect to any other Person, any event, occurrence, fact, condition, or change that would be materially adverse to the businesses, assets, conditions (financial or otherwise), operating results or operations of such Person, or to the ability of such Person to consummate the Transactions contemplated hereby, provided, however, that neither “Material Adverse Effect” nor “Material Adverse Change” shall include any event, occurrence, fact, condition, or change arising out of or directly attributable to: (a) general economic or political conditions; (b) conditions generally affecting the Massachusetts industries in which NRM and the Companies (taken as a whole) or such other Person operates; (c) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (d) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (e) any changes in accounting rules, including GAAP or the International Financial Reporting Standards; (f) any requirements of Applicable Law or a Governmental Authority arising due to any epidemic or pandemic as formally declared by the World Health Organization (including specifically the COVID-19 virus); or (g) any action NRM, a Company or any other Person is required to take pursuant to the direction of a Party acting under the authority granted to such Party hereunder; provided, further, however, that any event, occurrence, fact, condition, or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a “Material Adverse Effect” or “Material Adverse Change” has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on NRM or a Company or other Person compared to other participants in the industry or industries in Massachusetts which NRM or a Company or such other Person conducts its business.

“**Material Contract**” has the meaning set forth in Section 5(s).

“**MBCA**” has the meaning set forth in the Recitals to this Agreement.

“**McMann**” has the meaning set forth in the preface to this Agreement.

“**McMann Business**” has the meaning set forth in the Recitals to this Agreement.

“**Medical License**” has the meaning set forth in the Recitals to this Agreement.

“**Merger**” has the meaning set forth in the Recitals to this Agreement.

“**Merger Closing**” has the meaning set forth in Section 3(a).

“**Merger Consideration**” has the meaning set forth in Section 1(e).

“**Merger Cash Consideration**” has the meaning set forth in Section 1(e)(iii).

“**Merger Note Consideration**” has the meaning set forth in Section 1(e)(ii).

“**Merger Stock Consideration**” has the meaning set forth in Section 1(e)(i).

“**Merger Sub**” has the meaning set forth in the preface to this Agreement.

“**Merger Sub Common Stock**” has the meaning set forth in the Recitals to this Agreement.

“**Millbury Retail License**” has the meaning set forth in the Recitals to this Agreement.

“**Millbury Location**” means the real property located at 266 North Main Street, Millbury, MA.

“**Monthly Milestone Accrual**” shall have the meaning set forth in Section 1(f)(iv).

“**Most Recent Balance Sheet**” means the balance sheet contained within the Most Recent Financial Statements.

“**Most Recent Financial Statements**” has the meaning set forth in Section 5(j).

“**Most Recent Fiscal Month End**” has the meaning set forth in Section 5(j).

“**Most Recent Fiscal Year End**” has the meaning set forth in Section 5(j).

“**Multiemployer Plan**” has the meaning set forth in ERISA Section 3(37).

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“**Note**” has the meaning set forth in Section 1(e)(ii).

“**NRM**” has the meaning set forth in the preface to this Agreement.

“**NRM Accepted Reconciliation Item**” has the meaning set forth in Section 1(i)(iii).

“**NRM Closing Indebtedness Amount**” has the meaning set forth in Section 1(h)(i).

“**NRM Closing Indebtedness Schedule**” has the meaning set forth in Section 1(h)(i).

“**NRM Closing Net Working Capital**” has the meaning set forth in Section 1(i)(i).

“**NRM Closing Tax Amount**” has the meaning set forth in Section 1(h)(iv).

“**NRM Common Stock**” has the meaning set forth in the Recitals to this Agreement.

“**NRM Disputed Reconciliation Item**” has the meaning set forth in Section 1(i)(iii).

“**NRM Estimated Closing Adjustment Amount**” has the meaning set forth in Section 1(g)(ii).

“**NRM Estimated Closing Net Working Capital**” has the meaning set forth in Section 1(g)(i).

“**NRM Negative Closing Net Working Capital Amount**” has the meaning set forth in Section 1(g)(ii).

“**NRM Net Working Capital**” means, as of any date of determination, the sum of NRM’s Current Assets minus NRM’s Current Liabilities, without giving effect to the consummation of the Transactions, and adjusted to exclude: (a) Accounts Receivable of NRM aged beyond one hundred and twenty (120) days of the earlier of the applicable invoice issuance date and the payment due date; and (b) damaged, obsolete or otherwise unsaleable Inventory of NRM, or Inventory of NRM older than one hundred and twenty (120) days, in each case as reflected on the Audited Financial Statements.

“**NRM Net Working Capital Statement**” has the meaning set forth in Section 1(g)(i).

“**NRM Net Working Capital Target**” means US\$3,409,732.

“**NRM Positive Closing Net Working Capital Amount**” has the meaning set forth in Section 1(g)(ii).

“**NRM Reconciliation Items**” has the meaning set forth in Section 1(i)(i).

“**NRM Reconciliation Period**” has the meaning set forth in Section 1(i)(i).

“**NRM Reconciliation Statement**” has the meaning set forth in Section 1(i)(i).

“**NRM Resolution Period**” has the meaning set forth in Section 1(i)(iv).

“**NRM Review Period**” has the meaning set forth in Section 1(i)(ii).

“**NRM Statement of Objections**” has the meaning set forth in Section 1(i)(iii).

“**NRM Transaction Expenses**” means all (a) the costs, fees and expenses incurred by NRM in connection with the Transaction for investment bankers, third-party consultants, legal counsel, accountants and other advisors, and (b) change in control, retention, or transaction-related bonus amounts payable to, or for the benefit of, employees, officers, contractors or directors of NRM as a consequence of the transactions contemplated by this Agreement, whenever payable, including any Taxes that become payable by NRM in connection therewith, in each of the foregoing clauses (a) and (b) to the extent unpaid as of the Closing Date.

“**NRM Transaction Expense Schedule**” has the meaning set forth in Section 1(h)(ii).

“**Occupational Safety and Health Law**” means any Applicable Law, including the Occupational Safety and Health Act of 1970, as amended, and the rules and regulations promulgated thereunder, which both has been adopted and is effective prior to the Closing Date and which is designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

“**Operating Cash**” means all unrestricted cash and unrestricted cash equivalents, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, and with consistent classifications, judgments and valuation and estimation methodologies, that were used in the preparation of the Audited Financial Statements.

“**Order**” means any order, writ, assessment, decision, injunction, decree, judgment, ruling, award, settlement or stipulation issued, promulgated or entered into by or with any Governmental Authority.

“**Ordinary Course of Business**” means the operation of the enterprise consistent with past custom and practice (including with respect to quantity and frequency) taking into account the growth and development of the enterprise in accordance with reasonable expectations.

“**Other Current Liabilities**” means all Liabilities that would be classified as current Liabilities other than Accounts Payable, Taxes, and including, without limitation, deferred revenue obligations and accrued payroll expenses, in each case determined in accordance with GAAP applied using the same accounting methods, practices, principles,

policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Audited Financial Statements, but which shall not include any Liabilities solely between or among NRM and the Companies.

“**Other Inventory**” means all inventory of any kind or nature whatsoever, including without limitation all raw materials, biologics, ingredients, works-in-progress (including plants, yield flower and lab oil), packaging and supplies; provided, however, that “Other Inventory” does not include: (a) any of the foregoing to the extent such inventory is unusable or otherwise not maintained in a commercially reasonable manner in the Ordinary Course of Business; (b) any of the foregoing to the extent such inventory is, pursuant to Applicable Law, subject to a destruction order or indefinitely quarantined at the time of determination; or (c) any Finished Goods Inventory.

“**Owned Real Property**” means all land, buildings, structures, improvements, fixtures or other interests in real property owned by NRM or a Company, and includes all rights, privileges, interests, easements, hereditaments and appurtenances thereunto in any way incident, appertaining or belonging thereto.

“**Parent**” has the meaning set forth in the preface to this Agreement.

“**Parent Common Stock**” means the Class B Subordinate Voting Shares of Parent.

“**Party**” or “**Parties**” has the meaning set forth in the preface to this Agreement.

“**Permit**” means any permit, license, franchise certificate, consent, accreditation or other authorization of a Governmental Authority, including without limitation the Cannabis Licenses, the Local Agreements and all other state and local licenses necessary to lawfully operate within the State of Massachusetts and its local jurisdictions.

“**Permitted Competition Requirements**” has the meaning set forth in Section 8(g)(vi).

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“**Permitted Cultivation Activity**” has the meaning set forth in Section 8(g)(vi).

“**Permitted Liens**” means: (a) liens or encumbrances for Taxes, assessments or other governmental charges not yet due and payable, (b) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property, and (c) mechanics’, carriers’, workmen’s, repairmen’s or other like liens arising or incurred in the Ordinary Course of Business (except to the extent that any such lien relates to overdue payments unless such payments are being diligently contested in good faith pursuant to appropriate proceedings).

“**Permitted Retail Activity**” has the meaning set forth in Section 8(g)(vi).

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a governmental entity (or any department, agency, or political subdivision thereof).

“**Post-Closing Straddle Period**” has the meaning set forth in Section 11(a)(iii).

“**Pre-Closing Straddle Period**” has the meaning set forth in Section 11(a)(iii).

“**Pre-Closing Tax Periods**” has the meaning set forth in Section 11(a)(i).

“**Prepaid Expenses**” means all payments made by NRM or either Company that: (a) constitute prepaid expenses determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, and with consistent classifications, judgments and valuation and estimation methodologies, that were used in the preparation of the Audited Financial Statements; (b) are not accounts between or among NRM and the Companies; and (c) provide future benefit to the business of NRM or either Company, and shall not, for purposes of the NRM Net Working Capital and the Companies Net Working Capital, exceed Three Hundred and Fifty Thousand Dollars (\$350,000) in the aggregate.

“**Principal Market**” means the principal exchange or market on which the Parent Common Stock are listed or traded, including, without limitation, The Canadian Stock Exchange, The Toronto Stock Exchange, The Aequitas NEO Exchange, The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Select Market, the Nasdaq Global Market, the OTCQB, the OTCQX, the OTC Pink or any other market operated by the OTC Markets Group Inc. or any successors of any of these exchanges or markets.

“**Prohibited Radius**” means a two thousand five hundred (2,500) foot radius from the Tyngsborough Location in all directions (measured from the geometric center of the Tyngsborough Location).

“**Purchase Price**” has the meaning set forth in Section 2(b).

“**Real Property**” means Owned Real Property and Leased Real Property.

“**Releasing Parties**” has the meaning set forth in Section 13(r).

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“**Related Party Agreement**” means any agreement or understanding, whether written or oral, between NRM or a Company, on the one hand, and: (a) Seller; (b) any Representative of Seller; or (c) any Affiliate Seller or a Representative of Seller (other than NRM or either Company), on the other hand, including, without limitation, any agreement pursuant to which NRM or a Company has advanced or loaned, or received, any amount of money to or from any of the foregoing.

“**Representative**” means any director, officer, shareholder, manager, member, partner, principal, employee, contractor, attorney, accountant, agent or other representative of any Person.

“**Restricted Period**” means the period commencing on the Closing Date and ending on the second (2nd) anniversary of the Closing Date.

“**Restricted Territory**” means [***].

“**Retail Licenses**” has the meaning set forth in the Recitals to this Agreement.

“**Retained Holdback Shares**” has the meaning set forth in Section 10(h)(viii).

“**Retention Agreements**” has the meaning set forth in Section 7(q)(iii).

“**Second Milestone Period**” shall be the period beginning on the date immediately following the one (1) year anniversary of the Closing Date and ending on the thirty (30) month anniversary of the Closing Date.

“**Second Milestone Period Inside Opening Date**” has the meaning set forth in Section 1(f)(vi).

“**Second Milestone Period Issuance Date**” has the meaning set forth in Section 1(f)(iv).

“**Second Milestone Period Outside Opening Date**” has the meaning set forth in Section 1(f)(v).

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Securities Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Securities Laws**” has the meaning set forth in Section 5(e).

“**Seller**” has the meaning set forth in the preface to this Agreement.

“**Seller’s Brokers**” has the meaning set forth in Section 5(g).

“**Seller Excluded Representations**” has the meaning set forth in Section 10(a)(i).

“**Seller Executive**” or “**Seller Executives**” has the meaning set forth in the preface to this Agreement.

“**Seller Fundamental Representations**” has the meaning set forth in Section 10(a)(i).

“**Seller Maximum Indemnification Liability**” has the meaning set forth in Section 10(d)(ii).

“**Seller Partnership Tax Returns**” has the meaning set forth in Section 11(a)(i).

“**Seller Retained Assets**” has the meaning set forth in Section 7(p).

“**Seller Transaction Expenses**” means all (a) the costs, fees and expenses incurred by Seller in connection with the Transaction for investment bankers, third-party consultants, legal counsel, accountants and other advisors, and (b) change in control, retention, or transaction-related bonus amounts payable to, or for the benefit of, employees, officers, managers, contractors or directors of Seller as a consequence of the transactions contemplated by this Agreement, whenever payable, including any Taxes that become payable by Seller in connection therewith, in each of the foregoing clauses (a) and (b) to the extent unpaid as of the Closing Date.

“**Signatory**” or “**Signatories**” shall mean Buyer, Seller, NRM, each Company, Brady, Carr and Lundberg.

“**Straddle Period**” has the meaning set forth in Section 11(a)(iii).

“**Surviving Company**” has the meaning set forth in the Recitals to this Agreement.

“**Systems**” means the computer software, computer firmware, computer hardware (whether general purpose or special purpose), electronic data processing, communications, telecommunications, third party software, networks, peripherals and computer systems, including any outsourced systems and processes, and other similar or related items of automated, computerized and/or software systems that are used or relied on by NRM or a Company and over which it has any control.

“**Tangible Personal Property**” means all tangible personal property (other than Inventory) in which NRM or a Company, as applicable has any interest, including vehicles, production and processing equipment, warehouse equipment, computer hardware, furniture and fixtures, leasehold improvements, supplies and other tangible assets, together with any transferable manufacturer or vendor warranties related thereto.

“**Tax**” or “**Taxes**” means any federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax Liability of any other Person.

“**Tax and ERISA Representations**” has the meaning set forth in Section 10(a)(i).

“**Tax Matter**” has the meaning set forth in Section 11(a)(vii).

“**Tax Return**” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Term Sheet**” has the meaning set forth in Section 7(e).

“**Third-Party Claim**” has the meaning set forth in Section 10(e).

“**Threshold**” has the meaning set forth in Section 10(d)(i).

“**Trading Day**” means any day on which a Principal Market is open for trading.

“**Transactions**” has the meaning set forth in the Recitals to this Agreement.

“**Transfer Taxes**” has the meaning set forth in Section 8(f).

“**Treasury Regulation**” means the United States Treasury regulations promulgated under the Code.

“**Tyngsborough Competitor**” means any Person other than Buyer and its Affiliates (including NRM and the Companies).

“**Tyngsborough Location**” means [***].

“**Tyngsborough Retail License**” has the meaning set forth in the Recitals to this Agreement.

“**Unresolved Claims**” has the meaning set forth in Section 10(h)(viii).

“**Valiant**” has the meaning set forth in the preface to this Agreement.

“**Valiant Business**” has the meaning set forth in the Recitals to this Agreement.

“**VWAP**” means for any security as of any date, the dollar volume-weighted average price (in U.S. Dollars) for such security on the Principal Market (or, if a Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its “HP” function (set to weighted average) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported by OTC Markets Group Inc. If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value determined by Parent in its commercially reasonable discretion. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

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“**Works**” has the meaning set forth in Section 5(p)(vi).

[Signature Page Follows]

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IN WITNESS WHEREOF, the Signatories hereto have executed this Agreement as of the Effective Date.

MERGER SUB:

Jushi MA, Inc.

By: /s/ Jon Barack
Name: Jon Barack
Title: President

NRM:

Nature’s Remedy of Massachusetts, Inc.

By: /s/ Robert Carr
Name: Robert Carr
Title: President

VALIANT:

Valiant Enterprises, LLC

SELLER:

Sammartino Investments, LLC

By: /s/ Robert Carr
Name: Robert Carr
Title: Manager

MCMANN:

McMann, LLC

By: /s/ Robert Carr
Name: Robert Carr
Title: Manager

BRADY:

/s/ John Brady
John Brady, solely with respect to

By: /s/ Robert Carr
Name: Robert Carr
Title: Manager

Sections 6, 8(e), 8(g), 13 and 14

CARR:

LUNDBERG:

/s/ Robert Carr
Robert Carr, solely with respect to Sections 6, 8(e), 8(g), 13 and 14

/s/ Justin Lundberg
Justin Lundberg, solely with respect to Sections 6, 8(e), 8(g), 13 and 14

BUYER:
Jushi, Inc.

PARENT:
Jushi Holdings, Inc.

By: /s/ Jon Barack
Name: Jon Barack
Title: Co-President

By: /s/ Jon Barack
Name: Jon Barack
Title: Co-President
Solely with respect to Sections 1(e), 1(f), 3(b), 4, 13 and 14

FORM OF [] NET WORKING CAPITAL STATEMENT

Net Working Capital Calculation	[Closing Date]
<u>Current Assets</u>	
Cash	\$ []
Accounts Receivable	\$ []
Inventory	\$ []
Prepaid Expenses	\$ []
Total Current Assets	\$ []
<u>Current Liabilities</u>	
Accounts Payable	\$ []
Other Current Liabilities	\$ []
Total Current Liabilities	\$ []
Net Working Capital	\$ []

FIRST AMENDMENT TO
MERGER AND MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO MERGER AND MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Amendment**”) is made and effective as of May 13, 2021 by and between Sammartino Investments LLC, a Delaware limited liability company (“**Seller**”) and Jushi Inc, a Delaware corporation (“**Buyer**”). All capitalized terms used but not otherwise defined in this Amendment shall have the meaning provided in the Agreement (defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Merger and Membership Interest Purchase Agreement (the “**Agreement**”), dated as of April 16, 2021, by and among Buyer, Seller, Jushi MA, Inc., a Massachusetts corporation, Nature’s Remedy of Massachusetts, Inc., a Massachusetts corporation (“**NRM**”), McMann LLC, a Massachusetts limited liability company, (“**McMann**”), Valiant Enterprises, LLC, a Massachusetts limited liability company (“**Valiant**”, and together with McMann, each a “**Company**”) and certain other parties;

WHEREAS, pursuant to Section 9(a)(vi) of the Agreement, Buyer’s obligation to consummate the Transactions set forth in the Agreement is conditioned on Buyer’s satisfaction with its due diligence of Seller, NRM and each Company in Buyer’s sole discretion, provided that the condition shall be deemed to have been satisfied unless Buyer terminates the Agreement within thirty (30) days following the Effective Date;

WHEREAS, the parties desire to enter into this Amendment to amend the Agreement as set forth herein;

WHEREAS, pursuant to Section 13(j) of the Agreement, except for certain amendments to Section 8(g), any provision of the Agreement may be amended by Buyer and Seller if such amendment is in writing and duly executed by Buyer and Seller; and

WHEREAS, this Amendment does not amend Section 8(g) of the Agreement.

NOW, THEREFORE, based on the mutual promises provided herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

AGREEMENT

1. Extension of Due Diligence Period. Section 9(a)(vi) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(vi) Buyer shall be satisfied with its due diligence of Seller, NRM and each Company in Buyer’s sole discretion, provided that this condition shall be deemed to have been satisfied unless Buyer terminates this Agreement prior to 12:01am Eastern Daylight Time on Tuesday, May 25, 2021”

Page 1

2. Miscellaneous.

a . Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

b . Ratification. Except to the extent expressly modified by this Amendment, the parties reconfirm and ratify the Agreement and the confirm that the Agreement has remained in full force and effect, to the extent set forth therein, since the date of its execution.

c . No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Amendment.

d . Counterparts. This Amendment and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first written above.

JUSHI INC

By: /s/ Jon Barack
Name: Jon Barack
Title: Co-President

SAMMARTINO INVESTMENTS LLC

By: /s/ Robert Carr
Name: Robert Carr
Title: Manager

SECOND AMENDMENTTOMERGER AND MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO MERGER AND MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Amendment**”) is made and effective as of September 7, 2021 by and between Sammartino Investments LLC, a Delaware limited liability company (“**Seller**”) and Jushi Inc, a Delaware corporation (“**Buyer**”). All capitalized terms used but not otherwise defined in this Amendment shall have the meaning provided in the Agreement (defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Merger and Membership Interest Purchase Agreement, dated as of April 16, 2021 (as amended by that certain First Amendment to Merger and Membership Interest Purchase Agreement, dated as of May 13, 2021, the “**Agreement**”), by and among Buyer, Seller, Jushi MA, Inc., a Massachusetts corporation, Nature’s Remedy of Massachusetts, Inc., a Massachusetts corporation (“**NRM**”), McMann LLC, a Massachusetts limited liability company, (“**McMann**”), Valiant Enterprises, LLC, a Massachusetts limited liability company (“**Valiant**”, and together with McMann, each a “**Company**”) and certain other parties;

WHEREAS, the parties desire to revise Section 1(e) of the Agreement to decrease the Merger Stock Consideration and to increase the Merger Note Consideration by a corresponding amount;

WHEREAS, the parties desire to revise Section 1(e) to issue the Merger Note Consideration in two separate notes with different maturity dates;

WHEREAS, the parties desire to revise Section 1(e) to issue a predetermined number of shares of Parent Common Stock as Merger Stock Consideration;

WHEREAS, the parties desire to revise Section 1(f) of the Agreement to make any Additional Merger Consideration payable in Parent Common Stock or one or more unsecured promissory notes;

WHEREAS, the parties desire to amend the Agreement to clarify that a party’s waiver of any closing condition(s) relating to the formal approval to transfer Cannabis Licenses and/or Permits prior to Closing shall not relieve any other party of its post-closing covenants with respect to the transfer of ownership of the applicable Cannabis Licenses and/or other Permits;

WHEREAS, pursuant to Section 13(j) of the Agreement, except for certain amendments to Section 8(g), any provision of the Agreement may be amended by Buyer and Seller if such amendment is in writing and duly executed by Buyer and Seller; and

WHEREAS, this Amendment does not amend Section 8(g) of the Agreement.

Page 1

NOW, THEREFORE, based on the mutual promises provided herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

AGREEMENT

1. Revised Merger Consideration. Section 1(e) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(e) Merger Consideration. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Seller shall be entitled to receive cash and securities having an aggregate total value of up to Sixty-Five Million Dollars (\$65,000,000) (subject to adjustment as provided in this Agreement) (the “**Merger Consideration**”), which shall be payable or issuable to Seller by Buyer or Parent, as applicable, as follows:

(i) Eight Million Seven Hundred Thousand (8,700,000) shares of Parent Common Stock (the “**Merger Stock Consideration**”);

(ii) Five Million Dollars (\$5,000,000) evidenced by an unsecured promissory note issued by Buyer, Merger Sub and Valiant (the “**5-Year Merger Note Consideration**”) bearing interest at the rate of eight percent (8%) per annum, with interest payable in cash quarterly and maturing sixty (60) months from the date of issuance thereof, at which time all principal and accrued but unpaid interest shall be due and payable (the “**5-Year Note**”);

(iii) Eleven Million Five Hundred Thousand Dollars (\$11,500,000) evidenced by an unsecured promissory note issued by Buyer, Merger Sub and Valiant (the “**3-Year Merger Note Consideration**”, and together with the 5-Year Merger Note Consideration, the “**Merger Note Consideration**”) bearing interest at the rate of eight percent (8%) per annum, with interest payable in cash quarterly and maturing thirty-six (36) months from the date of issuance thereof, at which time all principal and accrued but unpaid interest shall be due and payable (the “**3-Year Note**”, and together with the 5-Year Note, the “**Notes**”); and

(iv) Five Million Dollars (\$5,000,000) in cash (the “**Merger Cash Consideration**”).”

2. Revision to Additional Merger Consideration. Section 1(f) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(f) Additional Merger Consideration. In addition to the Merger Consideration, Seller may receive up to an additional Ten Million Dollars (\$10,000,000) (the “**Additional Merger Consideration**”) in the form of added principal to the 3-Year Note or Parent Common Shares as follows:

(i) If a Tyngsborough Competitor does not open a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius at any time during the First Milestone Period, Five Million Dollars (\$5,000,000) shall be added to the 3-Year Note (without any other adjustments to the terms of the 3-Year Note including without limitation the maturity date). For the avoidance of doubt, the Five Million Dollars (\$5,000,000) in principal that may be added to the 3-Year Note in accordance with this Section 1(f)(i) shall mature on the same date as all other principal under the 3-Year Note.

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(ii) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary outside the Prohibited Radius at any time during the First Milestone Period (a **"First Milestone Period Outside Opening Date"**), Seller shall be entitled to receive consideration of \$10,000,000 consisting of: (1) Five Million Dollars (\$5,000,000) added to the 3-Year Note (without any other adjustments to the terms of the 3-Year Note including without limitation the maturity date); and (2) that number of Parent Common Shares equal to (A) Five Million Dollars (\$5,000,000) divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the First Milestone Period Outside Opening Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the Trading Day immediately preceding the First Milestone Period Outside Opening Date.

(iii) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary inside the Prohibited Radius at any time during the First Milestone Period, Seller shall not be entitled to any Additional Merger Consideration (whether in the form of added principal to the 3-Year Note or additional Parent Common shares) under this Agreement.

(iv) If a Tyngsborough Competitor does not open a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius at any time during the First Milestone Period, then on each monthly anniversary of the Closing Date during the Second Milestone Period (beginning on the thirteen (13) month anniversary of the Closing Date) during which a Tyngsborough Competitor does not open a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius Seller shall accrue Two Hundred Seventy-Seven Thousand Seven Hundred and Seventy-Eight Dollars (\$277,778) (each, a **"Monthly Milestone Accrual"**). On the eighteen (18), twenty-four (24) and thirty (30) month anniversaries of the Closing Date (each, a **"Second Milestone Period Issuance Date"**), and provided a Tyngsborough Competitor has not opened a Competing Tyngsborough Dispensary inside or outside the Prohibited Radius, Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A) One Million Six Hundred Sixty-Six Thousand Six Hundred and Sixty-Eight Dollars (\$1,666,668); divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the applicable Second Milestone Period Issuance Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the on the Trading Day immediately preceding the applicable Second Milestone Period Issuance Date.

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(v) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary outside the Prohibited Radius at any time during the Second Milestone Period (a **"Second Milestone Period Outside Opening Date"**), Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A)(1) Five Million Dollars (\$5,000,000); minus (2) One Million Six Hundred Sixty-Six Thousand Six Hundred and Sixty-Eight Dollars (\$1,666,668) multiplied by the number of Second Milestone Period Issuance Dates having passed prior to the Second Milestone Period Outside Opening Date; divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the Second Milestone Period Outside Opening Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the on the Trading Day immediately preceding the Second Milestone Period Outside Opening Date.

(vi) If a Tyngsborough Competitor opens a Competing Tyngsborough Dispensary inside the Prohibited Radius at any time during the Second Milestone Period, (a **"Second Milestone Period Inside Opening Date"**), Seller shall be entitled to receive, and Parent shall issue, a number of shares of Parent Common Stock equal to: (A)(1) the value of all Monthly Milestone Accruals until the Second Milestone Period Inside Opening Date; minus (2) the value of all Monthly Milestone Accruals for which Parent has issued Parent Common Stock (or which has been subject to a set-off in accordance with Section 10(h)(vi) hereof) prior to the Second Milestone Period Inside Opening Date; divided by (B) a price per share reference price for a share of Parent Common Stock (in United States Dollars) equal to the average of the daily VWAPs for a share of Parent Common Stock on the fifteen (15) Trading Days immediately preceding the Second Milestone Period Inside Opening Date, and which shall not be less than eighty-five percent (85%) of the closing price for a share of Parent Common Stock (in United States Dollars) on the on the Trading Day immediately preceding the Second Milestone Period Inside Opening Date.

(vii) There shall be no partial Monthly Milestone Accruals. In the event a Second Milestone Period Inside Opening Date or a Second Milestone Period Outside Opening Date occurs on any day other than a monthly anniversary of the Closing Date, the value of all Monthly Milestone Accruals for purposes of Sections 1(f) (v) or Section 1(f)(vi) shall be the value of the Monthly Milestone Accruals as of the monthly anniversary of the Closing Date immediately preceding the Second Milestone Period Inside Opening Date or the Second Milestone Period Outside Opening Date, as the case may be."

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3. Revision to Merger Consideration Reconciliation. Section 1(i)(viii) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(viii) Upon all NRM Reconciliation Items becoming NRM Accepted Reconciliation Items in accordance with this Section 1(i): (A) if it is determined, on aggregate, that the Merger Consideration paid by Buyer to Seller on the Closing Date was less than it should have been, Buyer shall pay to Seller, in cash, the difference between the aggregate amounts owed to Seller on the Closing Date as determined in accordance with this Section 1(i) and the actual amount paid by Buyer to Seller on the Closing Date; and (B) if it is determined, on aggregate, that the Merger Consideration paid by Buyer to Seller on the Closing Date was more than it should have been, Buyer shall be entitled to decrease that the principal amount of the 5-Year Note by the difference between the amount paid by Buyer to Seller on the Closing Date and the actual amount owed to Seller on the Closing Date as determined in accordance with this Section 1(i). Any excess amount owed by Seller to Buyer beyond the 5-Year Merger Note Consideration pursuant to this Section 1(i) shall be paid by reducing the principal amount of the 3-Year Note, and any excess remaining thereafter shall be paid by Seller to Buyer, in cash, by wire transfer of immediately available funds. All payments pursuant to this Section 1(i) shall be made within thirty (30) days of the date the last NRM Reconciliation Item becomes an NRM Accepted Reconciliation Item."

4. Revision to Company Interest Purchase Consideration Reconciliation. Section 2(e)(viii) of the Agreement is hereby deleted in its entirety and replaced with the following:

"Upon all Companies Reconciliation Items becoming Companies Accepted Reconciliation Items in accordance with this Section 2(e): (A) if it is determined, on aggregate, that the Company Interest Purchase Consideration paid by Buyer to Seller on the Closing Date was less than it should have been, Buyer shall pay to Seller, in cash, the difference between the aggregate amounts owed to Seller on the Closing Date as determined in accordance with this Section 2(e) and the actual amount paid by Buyer to Seller on the Closing Date; and (B) if it is determined, on aggregate, that the Company Interest Purchase Consideration paid by Buyer to Seller on the Closing Date was more than it should have been, Buyer shall be entitled to decrease the principal amount of the 5-Year Note by the difference between the amount paid by Buyer to Seller on the Closing Date and the actual amount owed to Seller on the Closing Date as determined in accordance with this Section 2(e). Any excess amount owed by Seller to Buyer beyond the 5-Year Merger Note Consideration pursuant to this Section 2(e) shall be paid by reducing the principal amount of the 3-Year Note, and any excess remaining thereafter shall be paid by Seller to Buyer, in cash, by wire transfer of immediately available funds. All payments pursuant to this Section 2(e) shall be made within thirty (30) days of the date the last Company Interest Purchase Consideration Reconciliation Item becomes a Company Interest Purchase Consideration Accepted Reconciliation Item."

5. Waivers of Closing Conditions by Buyer. The last sentence in Section 9(a) of the Agreement shall be deleted in its entirety and replaced with the following:

“Buyer may waive any condition specified in this Section 9(a) by executing and delivering to Seller a writing so stating at or prior to the Closing. In the event Buyer elects to waive its right to receive all formal regulatory approvals necessary to transfer ownership of all Cannabis Licenses and/or any other Permits from NRM or either Company to Buyer prior to Closing, such waiver shall not act as a waiver by Buyer of any other party’s post-closing obligations set forth in Article 8, including without limitation with respect to taking such further actions as Buyer may reasonably request to carry out the purposes of this Agreement including the transfer of ownership of the applicable Cannabis Licenses or other Permits to Buyer.”

6. Waivers of Closing Conditions by Seller. The last sentence in Section 9(b) of the Agreement shall be deleted in its entirety and replaced with the following:

“Seller may waive any condition specified in this Section 9(b) by executing and delivering to Buyer a writing so stating at or prior to the Closing. In the event Seller elects to waive its right to receive all formal regulatory approvals necessary to transfer ownership of all Cannabis Licenses and/or any other Permits from NRM or either Company to Buyer prior to Closing, such waiver shall not act as a waiver by Seller of any other party’s post-closing obligations set forth in Article 8, including without limitation with respect to taking such further actions as Seller may reasonably request to carry out the purposes of this Agreement including the transfer of ownership of the applicable Cannabis Licenses or other Permits to Buyer.”

7. Revised Closing Condition. Section 9(b)(viii) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(viii) Buyer, Merger Sub and Valiant shall have jointly and severally issued both of the Notes to Seller;”

8. Removal of Holdback Shares. Section 10(h) of the Agreement is hereby deleted in its entirety and replaced with the following:

“Intentionally Omitted”

9. Adverse Consequences First Offset from Notes. Section 10(i)(iv) of the Agreement shall be deleted in its entirety and replaced with the following:

“All Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof shall first be satisfied from the by offsetting the outstanding principal amount of the Notes. In the event the amount of any Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof exceeds the principal amount remaining on the Notes, Buyer shall set-off the value of all Monthly Milestone Accruals for which Parent has not yet issued Parent Common Shares to Seller (and which have not previously been set-off pursuant to this Section 10(i)(iv)), if any, by the amount by which the Adverse Consequences exceed the principal amount remaining on the Note. In the event the amount of any Adverse Consequences for which Seller is responsible to a Buyer Party pursuant to Section 10(b) hereof exceeds the value of all Monthly Milestone Accruals for which Parent has not yet issued Parent common Shares to Seller (and which have not previously been set-off pursuant to this Section 10(i)(iv)), if any, Seller shall pay to Buyer the difference by wire transfer of immediately available funds. For the avoidance of doubt, Buyer may choose which Notes to offset pursuant to this Section 10(i)(iv) in Buyer’s sole discretion.”

10. Infrastructure. Buyer accepts as-is, where-is, the Electrical Systems and HVAC Systems in place, and hereby releases Seller from any claims it may have now or hereafter with respect to the Electrical Systems or the HVAC Systems at 310 Kenneth Welch Drive, Lakeville, MA. Electrical Systems as used herein shall mean, without limitation, any and all wiring, transformers, generators, power supplies, power feeds, panels, sub panels, distribution elements, conduits, circuits and systems related to electrical components supplying power to any utilized area at 310 Kenneth Welch Drive. HVAC Systems as used herein shall mean without limitation any and all elements of the HVAC system including mechanical units providing air circulation, heat, air conditioning, filtration, and dehumidification, as well as the electronic elements controlling the system, at 310 Kenneth Welch Drive.

11. Deleted Definitions. The following definitions shall be deleted from Section 14 of the Agreement in their entirety:

“Holdback Shares”

“Unresolved Claims”

“Retained Holdback Shares”

“Closing Parent Common Stock Price”

12. Revised Definitions. The following definitions in Section 14 of the Agreement shall be deleted in their entirety and replaced with the following:

“**Merger Cash Consideration**” has the has the meaning set forth in Section 1(e)(iv).”

“**Merger Note Consideration**” has the has the meaning set forth in Section 1(e)(iii).”

“**Notes**” has the has the meaning set forth in Section 1(e)(iii).”

13. Added Definitions. The following definitions shall be added to Section 14 of the Agreement:

“**3-Year Merger Note Consideration**” has the has the meaning set forth in Section 1(e)(iii).”

“**3-Year Note**” has the has the meaning set forth in Section 1(e)(iii).”

“**5-Year Merger Note Consideration**” has the has the meaning set forth in Section 1(e)(ii).”

“**5-Year Note**” has the has the meaning set forth in Section 1(e)(ii).”

14. Miscellaneous.

a . Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

b. Ratification. Except to the extent expressly modified by this Amendment, the parties reconfirm and ratify the Agreement and confirm that the Agreement has remained in full force and effect, to the extent set forth therein, since the date of its execution.

c . No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Amendment.

d . Counterparts. This Amendment and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed as of the date first written above.

JUSHI INC

By: /s/ Jon Barack
Name: Jon Barack
Title: President

SAMMARTINO INVESTMENTS LLC

By: /s/ Robert Carr
Name: Robert Carr
Title: Manager

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***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

EQUITY PURCHASE AGREEMENT

Dated as of June 4, 2019

Among

THE SELLERS LISTED ON THE SIGNATURE PAGE HERETO

Being the Members of Franklin BioScience – Penn LLC, Franklin Bioscience – NE, LLC, Franklin BioScience – SE, LLC and Franklin BioScience – SW, LLC

And

FRANKLIN BIOSCIENCE, LLC, A COLORADO LIMITED LIABILITY COMPANY

Sellers' Representative

And

FRANKLIN BIOSCIENCE – PENN LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY

the Company

And

JUSHI INC, A DELAWARE CORPORATION

Buyer

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EQUITY PURCHASE AGREEMENT

This Equity Purchase Agreement (this “Agreement”), dated as of _____, 2019, is entered into by and among Franklin BioScience – Penn LLC, a Pennsylvania limited liability company (the “Company”), Franklin Group, LLC, a Colorado limited liability company (“Franklin Group”), Matt Varga, an individual resident of Pennsylvania (“Varga”), Alex Hazzouri, an individual resident of Pennsylvania (“A. Hazzouri”), Ed Hazzouri, an individual resident of New Jersey (“E. Hazzouri”), Ray Angeli, an individual resident of Pennsylvania (“Angeli”) and, together with Franklin Group, Varga, A. Hazzouri and E. Hazzouri, the “Other Interest Holders”), Hazzouri &

Associates, LLC, a Pennsylvania limited liability company ("Hazzouri Associates"), the other Persons holding membership interests in the Company and listed on the signature page hereto (together with Hazzouri Associates and the Other Interest Holders, the "Sellers"), Franklin Bioscience, LLC, a Colorado limited liability company ("FBS-CO"), as a Seller and as Sellers' Representative as defined in Section 6.11, and Jushi Inc, a Delaware corporation ("Buyer"). The Sellers, Sellers' Representative, the Company, and Buyer are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS:

A. The Company is a Phase I Medical Marijuana Dispensary Permit holder in the Southeast Region of Pennsylvania under the Medical Marijuana Program (the "MMP") overseen by the Pennsylvania Department of Health ("DOH"), and is the partial owner of Franklin BioScience – NE, LLC ("FBS Penn NE"), Franklin BioScience – SE, LLC ("FBS Penn SE") and Franklin BioScience – SW, LLC ("FBS Penn SW") and, together with FBS Penn NE and FBS Penn SE, the "Newly Granted Permittees"), each of which holds a provisional Phase II Medical Marijuana Dispensary Permit under the MMP.

B. The Company, under the "Beyond/Hello" brand, (i) owns and operates a local and state-approved dispensary at 2412 Durham Road, Bristol, PA 19007, which serves as its primary dispensary location; (ii) owns and operates a local and state-approved dispensary at 1206 Sansom Street, Philadelphia, PA 19107; and (iii) owns a local and state-approved dispensary at 1261 West Chester Pike, West Chester, PA 19382 which is currently in the design/construction phase of development.

C. The Company is controlled by FBS-CO, which owns 49.50% of the outstanding membership interests of the Company. FBS-CO and Hazzouri Associates collectively own a majority of the outstanding membership interests of the Company, which is sufficient to exercise the drag-along rights set forth in the Company's operating agreement. On March 9, 2019, Buyer, the Company, FBS-CO and Hazzouri Associates entered into that certain term sheet (as amended on April 2, 2019 and amended further on April 19, 2019, the "Term Sheet"), pursuant to which FBS-CO and Hazzouri Associates agreed to exercise and effectuate such drag-along rights in connection with the transactions contemplated by this Agreement.

D. Concurrently with the execution of the Term Sheet and in accordance with the terms thereof, Buyer made a payment of One Million Dollars (\$1,000,000) to the Company, which was to be used for the Company's bona fide business expenses and expressly may not be distributed to the owners of the Company (the "Initial Payment"). The Initial Payment is not applied to the Purchase Price and is not refundable to Buyer other than as expressly provided in Section 8.3 of this Agreement.

E. Buyer and the Sellers wish to enter into a transaction pursuant to which (i) Buyer will purchase one hundred percent (100%) of the membership interests of the Company (the "Company Interests") from the Sellers holding such Company Interests, and (ii) immediately following such purchase, the Company will purchase all membership interests owned by the Other Interest Holders in each of the Newly Granted Permittees (the "Permittee Interests") from the Other Interest Holders, thereby providing the Company with ownership of one hundred percent (100%) of the membership interests in each of the Newly Granted Permittees, all upon the terms and conditions contained in this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1. Defined Terms. As used in this Agreement, the following terms will have the following meanings:

(a) "Accounts Payable" means, without duplication, as of any date of determination, all bona fide accounts and notes payable of the Company or any Newly Granted Permittee, including all checks written on the Company's or any Newly Granted Permittee's "zero balance" or other bank accounts, if any, on or prior to the date of determination which have not cleared as of the date of determination, but exclusive of (i) any accounts or notes payable to Related Persons or Affiliates of any of the Sellers or (ii) any Seller Transaction Expense. Notwithstanding anything to the contrary, "Accounts Payable" shall not include any amounts owed by the Company with respect to the Initial Payment or Second Payment, or any amounts owed under the Line of Credit.

(b) "Accounts Receivable" means, without duplication, as of any date of determination, all bona fide accounts and notes receivable of the Company or any Newly Granted Permittee other than accounts or notes receivable from Related Persons or Affiliates of any Seller.

(c) "Acquisition Proposal" means any proposal or offer to, directly or indirectly, to acquire more than 10% of the equity or assets of the Company or any Newly Granted Permittee taken as a whole (other than Inventory sold in the ordinary course of the Business), including any such acquisition structured as merger, consolidation, dissolution, recapitalization or other business combination, or the issuance by the Company or any Newly Granted Permittee of equity as consideration for the assets or securities of another Person, in each case other than the Transactions.

(d) "Affiliate" means, as to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

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(e) "Agreement" means, unless the context otherwise requires, this Equity Purchase Agreement together with the Schedules and Exhibits attached hereto, and the certificates and instruments to be executed and delivered in connection herewith.

(f) "Applications" means any and all applications, documentation, and correspondence provided to, and received from, the Regulatory Authorities or a state, county, city or local Governmental Authority involving the applications for, issuance of, or transfer of the Licenses (or the transfer of the equity interests of the owner thereof).

(g) "Business" means the marketing, promotion, and retail sales of products containing cannabis and products that enable persons to consume cannabis in different forms, for medicinal uses, within the Commonwealth of Pennsylvania, as presently conducted by the Company and the Newly Granted Permittees.

(h) "Business Day" means any day other than a Saturday, Sunday or a legal holiday on which banks are not open for general business in the Commonwealth of Pennsylvania.

(i) “Buyer Stock” means Buyer’s restricted Class B common stock, or the as-converted successor class of stock of the successor to Buyer which are to be issued to the holders of Buyer’s restricted Class B common stock in connection with Buyer’s contemplated reverse takeover and listing as a publicly traded company.

(j) “Cash” means cash and cash equivalents of the Company and the Newly Granted Permittees.

(k) “Closing Cash Balance” means the Cash on hand of the Company and the Newly Granted Permittees as determined by the Cash balances, in aggregate, between the Company’s Bank of America and Parke Bank checking accounts, expressly including Cash obtained from the Initial Payment and Second Payment, determined as of the Closing Date (but without giving effect to any actions taken by or at the direction of Buyer on such date after all transactions contemplated to occur on such date as set forth in Section 2.2 have occurred.

(l) “COBRA” means the provisions of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and all regulations thereunder.

(m) “Code” means the Internal Revenue Code of 1986, as amended.

(n) “Contracts” mean the Material Contracts and the Minor Contracts.

(o) “March 8th Cash Balance” means \$1,017,000.

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(p) “Employee Benefit Plans” means, collectively, all Employee Pension Benefit Plans and Employee Welfare Benefit Plans of the Company and each Newly Granted Permittee.

(q) “Employee Pension Benefit Plan” will have the meaning set forth in ERISA Section 3(2).

(r) “Employee Welfare Benefit Plan” will have the meaning set forth in ERISA Section 3(1).

(s) “Encumbrance” means any claim, lien, pledge, option, charge, security interest, encumbrance, or other right of any Person, or any other restriction or limitation of any nature whatsoever, that in each case affects title to the Company Interests or the Permittee Interests or title to any assets of the Company or any Newly Granted Permittee.

(t) “Enforceability Limitations” mean (i) bankruptcy, insolvency, reorganization, moratorium or similar Law now or hereafter in effect relating to creditors’ rights, (ii) the discretion of the appropriate court with respect to specific performance, injunctive relief or other terms of equitable remedies, and (iii) limitations regarding the enforceability of contracts in technical violation of the Federal Cannabis Laws.

(u) “Environmental Claims” mean any written action, claim, suit, demand, directive, order (including those for contribution and/or indemnity), investigation, lien, fine, penalty, settlement, violation, written threat of legal proceeding or actual legal proceeding by any Governmental Authority or Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, indirect or consequential damages, nuisance, medical monitoring, penalties, contribution, indemnification, or injunctive relief) arising out of, based on, or resulting from: (i) the presence of, exposure to, or release of or threatened release into the environment of, any Hazardous Substances; (ii) any alleged injury to health, safety or the environment; (iii) the violation, or alleged violation of, any Environmental Laws or term or condition of any environmental Permits; or (iv) the non-compliance or alleged non-compliance with any Environmental Laws or term or condition of any environmental Permits.

(v) “Environmental Laws” means any applicable Law, Governmental Requirement or binding agreement with any Governmental Authority: (i) relating to pollution (or the cleanup thereof) or the preservation or protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient and indoor air, soil, surface water or groundwater, or subsurface strata); or (ii) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, handling, disposal, remediation, reporting, or release of, any Hazardous Substances.

(w) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

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(x) “ERISA Affiliate” means a trade or business, whether or not incorporated, which is deemed to be in common control or affiliated with the Company or any Newly Granted Permittee within the meaning of Section 4001 of ERISA or Sections 414(b), (c), (m), or (o) of the Code.

(y) “Federal Cannabis Laws” means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another’s felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

(z) “Financial Statements” mean the unaudited annual financial statements with respect to the Company and each of the Newly Granted Permittees for the fiscal years ended December 31, 2017 and December 31, 2018, and the unaudited interim financial statements with respect to the Company and each of the Newly Granted Permittees for the fiscal period ended March 31, 2019, in each case prepared in accordance with GAAP; provided, however, that the financial statements of each Newly Granted Permittee consist solely of a profit and loss statement for each applicable period.

(aa) “GAAP” means generally accepted accounting principles in the United States as set forth in the pronouncement of the Financial Accounting Standards Board (and its predecessors) and the American Institute of Certified Public Accountants, consistently applied.

(bb) “Governmental Authority” means any federal, state, commonwealth, provincial, municipal, local or foreign government, or any political subdivision thereof, or any court, agency or other entity, body, organization or group, exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government, or any supranational body, arbitrator, court or tribunal of competent jurisdiction.

(cc) “Governmental Requirement” means any law, statute, ordinance, writ, order, judgment, determination, directive or regulation of any Governmental Authority now in effect.

(dd) “Hazardous Substances” means: (i) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (ii) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

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(ce) “Indebtedness” means, without duplication for any obligations which are already reflected in the Non-Cash Working Capital, with respect to any Person as of any date of determination (without duplication), (i) all obligations of such Person for borrowed money, including, without limitation, all obligations for principal and interest, and for prepayment and other penalties, fees, costs and charges of whatsoever nature with respect thereto, (ii) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person, (iii) all obligations of such Person issued or assumed as the deferred purchase price of property or services (other than accounts payable to suppliers and similar accrued liabilities incurred in the ordinary course of the Business and paid in a manner consistent with industry practice and other than any such obligations for services to be rendered in the future), (iv) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or security interest on property owned or acquired by such Person whether or not the obligations secured thereby have been assumed, (v) all obligations (including but not limited to reimbursement obligations) relating to the issuance of letters of credit for the account of such Person, (vi) all obligations arising out of interest rate and currency swap agreements, cap, floor and collar agreements, interest rate insurance, currency spot and forward contracts and other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates, and (vii) obligations in the nature of guarantees of obligations of the type described in clauses (i) through (vi) above of any other Person; provided, however, “Indebtedness” shall not include any amounts owed by the Company with respect to the Initial Payment or Second Payment, or any amounts owed under the Line of Credit.

(ff) “Insurance” means any fire, product liability, automobile liability, general liability, worker’s compensation, medical insurance stop-loss coverage or other form of insurance of the Business, and any tail coverage purchased with respect thereto.

(gg) “Intellectual Property” means all intellectual property used by the Company or any Newly Granted Permittee to conduct the Business, including (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof, (ii) all trademarks, service marks, trade dress, logos, trade names, and limited liability company names (including, without limitation, the names “Franklin BioScience – Penn, LLC,” “Beyond” “Hello” and “Beyond/Hello”), together with all translations thereof, but not including any adaptations, derivations or combinations thereof, and specifically excluding any other name that includes the words “Franklin BioScience”, and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) all copyrightable works, all copyrights, and all applications, registrations and renewals in connection therewith, (iv) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, recipes, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (v) all computer software (including data and related documentation and including software installed on hard disk drives) other than off-the-shelf computer software subject to shrink-wrap or click-through licenses, (vi) web sites, website domain names, social media accounts and passwords and other e-commerce and social media assets, and (vii) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

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(hh) “Inventory” means all raw materials, ingredients and finished goods inventory of the Business after reduction for damaged, obsolete or otherwise unsaleable inventory, as reflected on the balance sheets of the Company and the Newly Granted Permittees as of the Closing Date.

(ii) “IRS” means the Internal Revenue Service.

(jj) “Knowledge” and similar phrases using the term “Knowledge” mean the actual knowledge of (i) with respect to each Party that is an individual, such Party, (ii) with respect to each Party other than FBS-CO that is a legal entity and not an individual, all members of the board of directors or board of managers of such Person (as applicable) or (iii) with respect to FBS-CO, all members of the board of directors of Franklin Group, in each case after having made reasonable inquiry with respect to the matters which are relevant to the representation, warranty, covenant or agreement being made or given.

(kk) “Law” means any federal, state, local, municipal, provincial, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, consent order, consent decree, decree, Order, judgment, rule, regulation, ruling, guideline, notice, protocol, directive, regulatory guidance, agreement or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or with or under the authority of any Governmental Authority, whether or not having the force of law.

(ll) “Losses” mean all losses, liabilities, damages, fines, penalties, claims, costs and expenses (including all fines, penalties and other amounts paid pursuant to a judgment, compromise or settlement, or costs associated with enforcing any right to indemnification hereunder), court costs and reasonable legal and accounting fees and disbursements; provided, however, that except to the extent actually paid to a third party that is not an Affiliate of the payor, or in the event of intentional misrepresentation, willful breach or fraud in connection with any representation or covenant under this Agreement, “Losses” shall not include any amounts in respect of lost profits or punitive damages, or any amount based on a “multiple of profits” or a “multiple of cash flow” or similar valuation methodology. For the avoidance of doubt and consistent with applicable law, except to the extent actually paid to a third party that is not an Affiliate of the payor, or in the event of intentional misrepresentation, willful breach or fraud in connection with any representation or covenant under this Agreement, consequential and special damages shall be recoverable solely to the extent such damages are foreseeable as of the date of this Agreement.

(mm) “Licenses” means any and all business licenses, permits or other authorizations, approvals, or documentation of any kind required by or requested from the Regulatory Authorities for the conduct of the Business and that cannot, without the consent of any Regulatory Authorities, be (or have the equity ownership of the holder thereof be) transferred to Buyer.

(nn) “Material Adverse Effect” means, with respect to any Person, any change or event or effect that is materially adverse to the business or financial condition of such Person and its subsidiaries, taken as a whole, but excluding, in each case, any change, event or effect arising out of or resulting from: (i) changes in general business conditions; (ii) changes in conditions in the U.S. or global economy or capital, financial, credit, foreign exchange or securities markets generally, including any disruption thereof; (iii) fires, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, hurricanes, floods or other acts of God or natural disasters; (iv) any outbreak or escalation of hostilities, insurrection or war, whether or not pursuant to declaration of a national emergency or war, acts of terrorism or similar calamity or crisis; (v) changes in applicable Law or accounting regulations or principles or interpretations thereof; (vi) the negotiation, announcement, pendency, execution, delivery or performance of this Agreement or any ancillary documents, the consummation of the Transaction or the identity of any other Party, including any termination of, denial of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customers, suppliers, distributors, partners or employees of such Person; or (vii) any

failure by the Company or any Newly Granted Permittee or the Business to meet any projections, forecasts or revenue or earnings predictions; except, in the case of clauses (i) through (vi) to the extent such change, effect, event, occurrence, state of facts or development has had a disproportionate effect on such Person.

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(oo) “Material Contracts” mean the following written and oral contracts which are currently in effect and to which the Company or any Newly Granted Permittee is a party or by which the Company or any Newly Granted Permittee is bound:

- (i) any agreement for the purchase or supply of cannabis involving payments in excess of \$50,000 for any 12-month period;
- (ii) any agreement (or group of related agreements with the same Person or its Affiliates) under which the Company or any Newly Granted Permittee has created, incurred or assumed any Indebtedness in excess of \$50,000 or imposed an Encumbrance (other than Permitted Encumbrances) on any of its assets;
- (iii) any agreement for the lease of real property or personal property involving payments in excess of \$50,000 for any 12-month period;
- (iv) any license or royalty agreement involving payments in excess of \$20,000 for any 12-month period;
- (v) any agreement with any Affiliate of the Company or any Newly Granted Permittee involving payments in excess of \$10,000 for any 12-month period;
- (vi) any agreement relating to any Employee Pension Benefit Plan, Employee Welfare Benefit Plan, or any other Benefit Arrangement;
- (vii) any employment, consulting or sales or leasing representative agreement not cancelable by the Company or the applicable Newly Granted Permittee without penalty upon 90 days or less written notice;
- (viii) any settlement agreement or other agreement in respect of any past or present Proceeding involving payments in excess of \$25,000;

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(ix) any confidentiality, or non-competition agreement (other than confidentiality agreements with the current employees of the Company or the Newly Granted Permittees entered into in the ordinary course of the Business);

(x) any agreement providing for indemnification by the Company or any Newly Granted Permittee other than pursuant to standard terms of contracts in the ordinary course of the Business; or

(xi) any other agreement (or group of related agreements with the same Person or its Affiliates) not cancelable by the Company or the applicable Newly Granted Permittee without penalty, (A) the performance of which will extend over a period of more than 1 year, or (B) involving consideration in excess of \$50,000 or is or could be reasonably anticipated to result in a loss to the Company or any Newly Granted Permittee exceeding \$50,000.

(pp) “Minor Contracts” mean any contract and other agreement (other than the Material Contracts), whether written or oral, to which the Company or any Newly Granted Permittee is a party or by which the Company or any Newly Granted Permittee is bound.

(qq) “Non-Cash Working Capital” means, as of the Closing Date, (i) the sum of (A) the Accounts Receivable, (B) the Inventory and (C) the Other Current Assets, minus (ii) the sum of (A) the Accounts Payable and (B) Other Current Liabilities, the computation of which is more fully illustrated on Exhibit C.

(rr) “Non-Cash Working Capital Target” means \$75,000.

(ss) “Non-Party” means any Person who is not a Party hereto, including, without limitation, (i) any former, current or future direct or indirect equity holder, controlling Person, management company, incorporator, member, partner, manager, director, officer, employee, agent, Affiliate, attorney or representative of, and any financial or other advisor or lender (all above-described Persons in this subclause (i), collectively, “Affiliated Persons”) to a Party hereto or any Affiliate of such Party, (ii) any Affiliated Persons of such Affiliated Persons but specifically excluding the Parties hereto, and (iii) the successors, assigns, heirs, executors or administrators of the Persons in subclauses (i) and (ii), but specifically excluding the Parties hereto.

(tt) “Order” means any order, writ, assessment, decision, injunction, decree, judgment, ruling, award, settlement or stipulation issued, promulgated or entered into by or with any Governmental Authority.

(uu) “Other Current Assets” mean all assets of the Company or any Newly Granted Permittee that would, in accordance with GAAP, be classified as current assets other than Accounts Receivable, Inventory, and Cash.

(vv) “Other Current Liabilities” means all liabilities of the Company or any Newly Granted Permittee that would, in accordance with GAAP, be classified as current liabilities other than Accounts Payable, but including, without limitation, any accrued Taxes, deferred revenue obligations and accrued payroll expenses. Notwithstanding anything to the contrary, “Other Current Liabilities” shall not include any amounts owed by the Company with respect to the Initial Payment or Second Payment, or any amounts owed under the Line of Credit.

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(ww) “Owned Tangible Personal Property” means all Tangible Personal Property owned by the Company or a Newly Granted Permittee.

(xx) “Pennsylvania Cannabis Laws” means the marijuana establishment laws of any jurisdictions within the Commonwealth of Pennsylvania to which the Company and each Newly Granted Permittee is, or may at any time become, subject, including, without limitation, the Pennsylvania Medical Marijuana Act (35 P.S. §10231.101 et. seq.), as amended, and the rules and regulations adopted by the Pennsylvania Department of Health (including 28 Pa. Code §§1141, 1151 and 1161 of the Pennsylvania regulations), the Pennsylvania Department of Revenue or any other state or local government agency with authority to regulate any marijuana operation (or proposed marijuana operation).

(yy) “Permits” mean all permits, licenses, consents, franchises, approvals, registrations, certificates, variances and other authorizations required to be obtained from any Governmental Authority or other Person in connection with the operation of the Business and necessary to conduct the Business as presently conducted.

(zz) “Permitted Encumbrances” mean (i) Encumbrances which are removed on or prior to Closing Date, (ii) liens or encumbrances for Taxes, assessments or other governmental charges not due and payable or the amount or validity of which is being contested in good faith, (iii) such other imperfections in title, charges, easements, restrictions and encumbrances which would not result in a Material Adverse Effect on the Company or any Newly Granted Permittee, (iv) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property, (v) mechanics’, carriers’, workmens’, repairmens’ or other like liens arising or incurred in the ordinary course of business (except to the extent that any such lien relates to overdue payments unless such payments are being diligently contested in good faith pursuant to appropriate proceedings) and (vi) any Encumbrances arising under the Line of Credit in favor of Buyer or its Affiliates.

(aaa) “Person” means any Governmental Authority, individual, association, joint venture, partnership, corporation, limited liability company, trust or other entity.

(bbb) “Pledge Agreement” means that certain pledge agreement among Buyer and the Sellers relating to Buyer’s pledge to Sellers of the Company Interests and the 100% membership interest owned by the Company in each of the Newly Granted Permittees, in each case in order to secure Buyer’s obligations to the Sellers under the Promissory Notes, which will be substantially in the form attached hereto as Exhibit A-2.

(ccc) “Proceeding” means any claim, demand, action, suit, litigation, dispute, order, writ, injunction, judgment, assessment, decree, grievance, arbitral action, investigation or other proceeding.

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(ddd) “Promissory Notes” means those certain promissory notes issued by Buyer in favor of the Sellers in the aggregate principal amount of Twenty Seven Million Five Hundred Thousand Dollars (\$27,500,000) (subject to adjustment as described in clause (i) below) with such principal to be paid pursuant to the following schedule: (i) Ten Million Dollars (\$10,000,000) in aggregate principal amount, adjusted pursuant to Section 2.5, and less the sum of (A) any Seller Transaction Expenses paid by Buyer at Closing pursuant to Section 2.2(b)(ii) in excess of the Four Hundred Thousand Dollars (\$400,000) reserved from the Cash Consideration at Closing (the “Excess Cash Deduction Amount”), (B) the amount of Indebtedness of the Company on the Closing Date not satisfied immediately prior to Closing and (C) one half of the [***] Contract Value, shall be due on September 30, 2019 (the “September Principal Amount”); (ii) Seven Million Five Hundred Thousand Dollars (\$7,500,000) in aggregate principal amount shall be due on March 9, 2020; (iii) Five Million Dollars (\$5,000,000) in aggregate principal amount shall be due on September 9, 2020; and (iv) all remaining principal and other amounts due under the Promissory Notes shall be due on the final maturity date of March 9, 2021. The Promissory Notes, which will be substantially in the form attached hereto as Exhibit A-1, will bear interest at ten percent (10%) per annum with all accrued and unpaid interest paid with each payment of principal described above, will be secured by a first priority security interest on the Company Interests and the Permittee Interests, and will be prepayable at any time without penalty; provided, however, that in addition to the provisions described above, at the election of Sellers, an amount of principal under the Promissory Notes equal to the September Principal Amount will be convertible into Buyer Stock at a price of \$3.30 per share, upon the terms and conditions described in the Promissory Notes.

(eee) “Real Property” means all real property owned or leased by the Company or any Newly Granted Permittee or in which the Company or any Newly Granted Permittee otherwise has any interest, together with (i) all buildings and improvements located thereon and (ii) all rights, privileges, interests, easements, hereditaments and appurtenances thereunto in any way incident, appertaining or belonging thereto.

(fff) “Regulatory Authorities” means any and all Governmental Authorities with actual authority over the Applications for or issuance, transfer, and/or substitution of the Licenses.

(ggg) “Related Person” means, (i) with respect to a particular individual: (A) each other member of such individual’s immediate family; (B) any Person that is directly or indirectly controlled by any one or more members of such individual’s immediate family; (C) any Person in which members of such individual’s immediate family hold (individually or in the aggregate) a material interest, including an equity interest of 25% or more; and (D) any Person with respect to which one or more members of such individual’s immediate family that serves as a director, manager, officer, partner, executor or trustee (or in a similar capacity), and (ii) with respect to a specified Person other than an individual, an Affiliate of that Person.

(hhh) “Representation Survival Period” means, (i) for the Sellers’ and the Company’s representations and warranties (excluding the Seller Excluded Representations) set forth in Article 4 of this Agreement, the period beginning on the Closing Date and ending on the date that is the 18-month anniversary of the Closing Date, and (ii) for Buyer’s representations and warranties (excluding the Buyer Excluded Representations) set forth in Article 5 of this Agreement, the period beginning on the Closing Date and ending on the date that is the 18-month anniversary of the Closing Date.

(iii) “Representative” means any manager, officer, director, principal, attorney, accountant, agent, employee or other representative of any Person.

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(jjj) “Restricted Territory” means the Commonwealth of Pennsylvania.

(kkk) “Seller Individual Representation” means any representation or warranty concerning a Seller set forth in Sections 4.2(a), 4.4(a), 4.7(a) or 4.30(a).

(lll) “Seller Percentage” means in respect of any Seller, the percentage set forth in the column captioned “Seller Percentage” opposite such Seller’s name on Exhibit B hereto.

(mmm) “Seller Transaction Expenses” means (i) the costs, fees and expenses incurred by the Company, the Sellers or any Newly Granted Permittee in connection with the transactions contemplated by this Agreement for investment bankers, third party consultants, legal counsel, accountants and other advisors, (ii) all change in control, retention, or transaction-related bonus amounts payable to, or for the benefit of, employees, officers, contractors or directors of the Company or any Newly Granted Permittee as a consequence of the transactions contemplated by this Agreement, whenever payable, including (subject to and not in duplication of Section 2.3) any Taxes that become payable by the Company or any Newly Granted Permittee in connection therewith (but excluding any post-Closing liabilities or obligations arising as a result of both (A) the Closing and (B) the occurrence of one or more additional post-Closing events under so-called “double trigger” severance provisions contained in any employment-related Contracts), and (iii) overdrafts on any bank account and reimbursement obligations under any credit facility of the Company acquired by Buyer or any credit facility of any Newly Granted Permittee acquired by the Company (but in each case specifically excluding the Line of Credit which will not be required to be repaid out of the Purchase Price), in each of the foregoing clauses (i) through (iii) to the extent unpaid as of the Closing Date.

(nnn) “Sellers’ Representative Fund” shall mean an amount equal to \$350,000, such amount to be held and disposed of by the Sellers’ Representative as set forth in Section 2.9.

(ooo) “Tangible Personal Property” means all tangible personal property (other than Inventory) owned or leased by the Company or any Newly Granted Permittee or in which the Company or any Newly Granted Permittee has any interest, including vehicles and production and processing equipment, warehouse equipment, computer hardware, furniture and fixtures, leasehold improvements, supplies and other tangible assets, together with any transferable manufacturer or vendor warranties related thereto.

(ppp) “Tax” or “Taxes” means any federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, startup, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), health, unemployment, disability, real property, personal property, intangible property, sales, use, transfer, registration, value added, goods and services, harmonized, alternative or add-on minimum, estimated, or other tax or similar obligation of any kind whatsoever to any Tax authority, including any interest, penalty or addition thereto, whether disputed or not.

(qqq) “Tax Return” means any return, declaration, report, form, claim for refund, election or information return or statement relating to Taxes, including any schedule or attachment thereto, and any amendment thereof.

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(rrr) “Transaction” means the equity purchases and other transactions contemplated under this Agreement.

(sss) “Transfer Taxes” means any sales, use, stock transfer, value added, real property transfer, transfer, stamp, registration, documentary, recording or similar duties or taxes together with any interest thereon, penalties, fines, costs, fees, additions to tax or additional amounts with respect thereto incurred in connection with the transactions contemplated by this Agreement.

(ttt) “Treasury Regulation” means the United States Treasury regulations promulgated under the Code.

(uuu) “[***] Contract Value” shall mean the total value of that certain consulting contract by and between the Company and [***].

1.2. Other Defined Terms. The following terms will have the meanings defined for such terms in the Sections set forth below:

<u>Term</u>	<u>Section</u>
Accounting Firm	2.4(c)
Adjusted Closing Cash Balance	2.5(b)
Adjusted Net Cash Consideration Amount	2.2(b)(i)
Affiliated Person Notification	6.8(b)
Affiliation Form	6.8(a)
A. Hazzouri	Introduction
Angeli	Introduction
Anti-Money Laundering Laws	4.26
Application Materials	6.8(a)
Application Party / Application Parties	6.8(a)
Benefit Arrangements	4.16(i)
Buyer	Introduction
Buyer Disclosure Schedules	5
Buyer Excluded Representation	9.1(a)(ii)
Buyer Parties	9.1(b)(i)
Cash Consideration	2.1
Closing	3.1
Closing Date	3.1
Closing Non-Cash Working Capital Statement	2.4(d) or (e)
Company	Introduction
Company Disclosure Schedules	4
Company Interests	Recitals
Confidential Information	9.4
Confidentiality Agreement	6.4
DOH	Recitals
Draft Non-Cash Working Capital Statement	2.4(a)
E. Hazzouri	Introduction

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Escrow Agent	2.2(a)(ii)
Escrow Agreement	2.2(a)(ii)
Excess Cash Deduction Amount	Definition of “Promissory Notes” in 1.1
Execution Stock	2.1
Execution Stock Issuance Date	2.2(a)(ii)
FBS-CO	Introduction
FBS Penn NE	Recitals
FBS Penn SE	Recitals
FBS Penn SW	Recitals
Final Closing Non-Cash Working Capital	2.5(a)
Hazzouri Associates	Introduction
Franklin Group	Introduction
Indemnified Party	9.1(e)
Indemnifying Party	9.1(e)
Initial Payment	Recitals
Leased Real Property	4.10(a)
Leases	4.10(a)

Line of Credit	2.2(a)(iii)
MMP	Recitals
Net Cash Consideration Amount	2.2(b)(i)
Newly Granted Permittees	Recitals
OFAC	4.27
Other Interest Holders	Introduction
Outside Date	8.1(b)(i)
Party / Parties	Introduction
Pension Plans	4.16(a)
Permit Revocation Claim	9.2(b)
Permittee Interests	Recitals
Post-Closing Straddle Period	9.8(c)
Pre-Closing Straddle Period	9.8(c)
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1.3. Usage of Terms. Except where the context otherwise requires, words importing the singular number will include the plural number and vice versa. Use of the word "including" means "including, without limitation."

1.4. References to Articles, Sections, Exhibits and Schedules. All references in this Agreement to Articles, Sections (and other subdivisions), Exhibits and Schedules refer to the corresponding Articles, Sections (and other subdivisions), Exhibits and Schedules of or attached to this Agreement, unless the context expressly, or by necessary implication, otherwise requires.

ARTICLE 2

PURCHASE AND SALE OF MEMBERSHIP INTERESTS

2.1. Purchase Price. As consideration for the sale, conveyance, transfer, assignment and delivery of the Company Interests and the Permittee Interests, in each case free and clear of all Encumbrances (other than Encumbrances arising under applicable federal and state securities Law), Buyer has agreed to pay the Sellers, subject to adjustment as provided in this Agreement, an aggregate of Sixty Million Dollars (\$60,000,000) together with 1,500,000 shares of Buyer Stock (the "Execution Stock"), to be paid as Thirty-Two Million Five Hundred Thousand Dollars (\$32,500,000) in cash (the "Cash Consideration"), the Promissory Notes, and the Execution Stock (together with the Promissory Notes and the Cash Consideration, the "Purchase Price). Buyer will pay the Purchase Price, less certain deductions, to the Sellers as described in Section 2.2(b) below. The Purchase Price and all other payments to be made to the Sellers or by Buyer pursuant to this Agreement shall be allocated to the Sellers on a *pro rata* basis in accordance with their respective Seller Percentages, as set forth on Exhibit B hereto.

2.2. Payments by Buyer, Line of Credit and Transfers of Interests.

(a) Upon execution of this Agreement unless stated otherwise below:

(i) Buyer will pay Four Million Dollars (\$4,000,000) to the Company (the "Second Payment"), which Second Payment shall be used for the Company's bona fide business expenses and may not be distributed to the owners of the Company. The Second Payment shall not be applied towards the Purchase Price and is not refundable to Buyer other than as expressly provided in Section 8.3 hereof.

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(ii) On the Execution Stock Issuance Date, Buyer will issue the Execution Stock to the Sellers, allocated on a pro rata basis in accordance with their respective Seller Percentages; provided, however, that such Execution Stock shall be (A) deposited with GLAS (the "Escrow Agent") pursuant to the terms of an escrow agreement containing the provisions described below and otherwise as mutually agreed upon by Sellers' Representative and Buyer (the "Escrow Agreement"). In accordance with the terms of the Escrow Agreement, the Execution Stock will be released to the Sellers upon the earlier to occur of (i) the six (6) month anniversary of the Closing Date, or (ii) termination of this Agreement prior to the Closing Date by Buyer pursuant to Section 8.1(b)(i) or by Sellers' Representative pursuant to Section 8.1(d) hereof. Notwithstanding anything to the contrary, issuance of the Execution Stock is subject to the applicable Seller's full execution of Buyer's subscription agreement delivered to Seller on May 15, 2019 ("Subscription Agreement"), and the Sellers acknowledge that the issuance of the Execution Stock with respect to any Seller as

provided herein will be delayed until such Seller has executed a Subscription Agreement and returned it to Buyer, and provided further that each Seller that fails to return a fully-executed Subscription Agreement to Buyer within one (1) year of the execution of this Agreement shall forfeit its allocated Execution Stock. Notwithstanding anything to the contrary set forth in each Subscription Agreement executed by such Seller, Buyer may delay issuing Seller's allocated portion of Execution Stock until: (A) if the RTO Requirement has been met on or before June 20, 2019, then upon such date that the Execution Stock becomes eligible to be deposited through the Depository Trust Company and, subsequently, the Escrow Agent; (B) if the RTO Requirement has not been met on or before June 20, 2019, then on June 21, 2019; or (C) if, prior to issuance, this Agreement is terminated by either Buyer or Sellers' Representative in a manner which would otherwise have the effect of releasing the Execution Stock to Sellers pursuant to Section 8.3, then upon the date of such termination and, notwithstanding anything to the contrary set forth herein or in each Seller's Subscription Agreement, such Execution Stock shall be issued directly to Seller and not to the Escrow Agent (the applicable date identified in (A)-(C) above, the "Execution Stock Issuance Date").

(iii) Buyer or its designee will commit to a line of credit facility for the benefit of the Company in the aggregate amount of Five Million Dollars (\$5,000,000), with interest accruing at ten percent (10%) per annum and maturing at the one-year anniversary thereof, to be used for the Company's bona fide business expenses, substantially in the form attached hereto as Exhibit D (the "Line of Credit"). The Line of Credit may not be drawn upon unless and until the proceeds from the Initial Payment and the Second Payment have been fully spent.

(b) On the Closing Date:

(i) The Cash Consideration, less (1) the Sellers' Representative Fund and (2) Four Hundred Thousand Dollars (\$400,000) of Seller Transaction Expenses, will be paid by Buyer to the Sellers, allocated to each Seller in an amount equal to the amount set forth in the column captioned "Net Cash Consideration Amount" opposite such Seller's name in Exhibit B or, in the event such Seller elected to receive Buyer Stock in lieu of such Seller's Net Cash Consideration Amount as described herein, in an amount equal to the amount set forth in the column captioned "Adjusted Net Cash Consideration Amount" opposite such Seller's name in Exhibit B, in each case in cash by wire transfer to such accounts as Sellers' Representative may designate in writing to Buyer in advance of the Closing Date. Each Seller acknowledges that (A) Buyer provided such Seller with the opportunity to elect to receive up to one hundred percent (100%) of the Net Cash Consideration Amount that would otherwise be paid to such Seller under this Agreement (as set forth in the column captioned "Net Cash Consideration Amount" opposite such Seller's name in Exhibit B) in the form of Buyer Stock in lieu of Net Cash Consideration, (B) the number of shares of Buyer Stock elected to be received by each such Seller in lieu of Net Cash Consideration, if any, is set forth in the column captioned "Shares of Buyer Stock in Lieu of Net Cash Consideration" opposite of each such Seller's name in Exhibit B, (C) with respect to each Seller who elected to receive Buyer Stock in lieu of such Seller's Net Cash Consideration Amount as described herein, the dollar amount in the column captioned "Adjusted Net Cash Consideration Amount" opposite such Seller's name in Exhibit B reflects the reduced Cash Consideration Amount payable to such Seller as a result of its election to receive any Buyer Stock in lieu thereof, and (D) with respect to each Seller who elected to receive Buyer Stock in lieu of such Seller's Net Cash Consideration Amount as described herein, such Seller will receive the number of shares of Buyer Stock set forth in the column captioned "Shares of Buyer Stock in Lieu of Cash Consideration" opposite such Seller's name in Exhibit B at Closing.

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(ii) The Seller Transaction Expenses will be paid (on behalf of the Company, the applicable Newly Granted Permittee or the Sellers) by Buyer in cash by wire transfer to the applicable holders or payees thereof, as specified by the Sellers' Representative.

(iii) The amount of the Sellers' Representative Fund will be paid by Buyer in cash by wire transfer to such account as Sellers' Representative may designate in writing to Buyer in order to fund the Sellers' Representative Fund.

(iv) The Promissory Notes will be issued by Buyer and delivered to Sellers, with the principal amount of each Promissory Note to be determined on a *pro rata* basis in accordance with their respective Seller Percentages.

(v) Buyer, the Company and Sellers will enter into the Pledge Agreement.

(vi) Buyer and the Sellers' Representative will mutually agree in writing on the amount of the Closing Cash Balance.

(vii) Sellers will transfer one hundred percent (100%) of the Company Interests to Buyer, and immediately thereafter, the Other Interest Holders will transfer one hundred percent (100%) of the Permittee Interests to the Company.

2.3. Transfer Taxes. Notwithstanding Article 9, the Sellers, on the one hand, and Buyer, on the other hand, will each be responsible for one-half of the payment of any and all Transfer Taxes associated with the transfer of the Company Interests and the Permittee Interests and any deficiency, interest or penalty with respect to such Taxes. With respect to the portion of such amount for which the Sellers are responsible, each Seller shall only be responsible for the portion of such amount attributable to such Seller's transfer of Company Interests and/or Permittee Interests hereunder. The parties will reasonably cooperate with respect to the preparation and filing of all Tax Returns required to be filed in connection with any such Transfer Taxes. The Sellers will remit to Buyer (if Buyer is filing a Tax Return relating to Transfer Taxes) or Buyer will remit to the Sellers (if the Sellers are filing a Tax Return relating to Transfer Taxes), as the case may be, in immediately available funds, the amount of any Transfer Taxes owed by the Sellers or Buyer (as applicable) pursuant to this Section 2.3 at least five (5) business days prior to the due date of any such Tax Return being filed.

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2.4. Preparation of Non-Cash Working Capital Statement.

(a) Unless Buyer and Sellers' Representative mutually agree upon another date in writing, within sixty (60) days following the Closing Date, Buyer will prepare and deliver to Sellers' Representative a draft statement containing: (i) a consolidated balance sheet of the Company and the Newly Granted Permittees as of the Closing Date (but without giving effect to any actions taken by or at the direction of Buyer on such date after all transactions contemplated to occur on such date as set forth in Section 2.2 have occurred); and (ii) based on such balance sheet, Buyer's calculation of the Non-Cash Working Capital (the "Draft Non-Cash Working Capital Statement"). The Draft Non-Cash Working Capital Statement will be prepared in accordance with this Section 2.4 and will include reasonable detail on the computation thereof. If Buyer fails to deliver the Draft Non-Cash Working Capital Statement within the aforementioned period, no adjustment to the Purchase Price will be made under Section 2.5, unless the Sellers' Representative notifies Buyer to the contrary in writing within 5 Business Days after the expiration of the aforementioned period.

(b) Sellers' Representative will have twenty (20) Business Days to review the Draft Non-Cash Working Capital Statement following receipt of it, and Sellers' Representative must notify Buyer in writing if Sellers' Representative has any objections to the Draft Non-Cash Working Capital Statement within such period. The notice of objection must contain a statement of the basis of each of the objections and each amount in dispute. The Buyer will provide access, upon every reasonable request, to Sellers' Representative and its Representatives to all work papers of Buyer and its respective auditors' accounting books and records and the appropriate personnel to verify the accuracy, presentation and other matters relating to the preparation of the Draft Non-Cash Working Capital Statement, subject to, if applicable, execution and delivery by Sellers' Representative and its Representatives of any agreement or other document, including any release, waiver or indemnity that Buyer's auditors may reasonably require prior to providing such access.

(c) If Sellers' Representative sends a notice of objection of the Draft Non-Cash Working Capital Statement in accordance with Section 2.4(b), or indicates it wishes a Non-Cash Working Capital adjustment to the Purchase Price notwithstanding Buyer's failure to deliver a Draft Non-Cash Working Capital Statement within the required period in accordance with Section 2.4(a), Sellers' Representative, on the one hand, and Buyer, on the other hand, will promptly make commercially reasonable efforts to try to resolve such objections within twenty (20) Business Days following receipt of the notice of objection. Failing resolution of any objection to the Draft Non-Cash Working Capital Statement raised by Sellers' Representative, only the amount(s) in dispute will be submitted for determination to an independent firm of chartered professional accountants mutually agreed to by Sellers' Representative and Buyer (and, failing such agreement between Sellers' Representative and Buyer within a further period of 5 Business Days, such independent firm of chartered professional accountants will be Hill, Barth & King LLC, or if such firm is unable to act, a firm to be mutually agreed upon by Sellers' Representative and Buyer, acting reasonably (the "Accounting Firm"). The Accounting Firm will identify a member of the firm to act in such mandate and will determine the procedures applicable to the resolution of the amounts in dispute with the primary purposes of minimizing expenses of the parties and expediting the accurate resolution of the dispute. The determination of such Accounting Firm of the amount(s) in dispute and any corresponding changes flowing from the resolution of such amounts in dispute will be final and binding upon the Parties and will not be subject to appeal, absent manifest error. Such Accounting Firm will be deemed to be acting as experts and not as arbitrators. Notwithstanding the foregoing, the determination of such Accounting Firm of the amount(s) in dispute will in no event be more favorable to Buyer than reflected in the Draft Non-Cash Working Capital Statement delivered by Buyer or more favorable to the Sellers than shown in the proposed changes to the Draft Non-Cash Working Capital Statement delivered by Sellers' Representative under its notice of objection pursuant to this Section 2.4(c). During the review by the Accounting Firm, Buyer and Sellers' Representative will each make available to such Accounting Firm, such individuals and such information, facilities, books, records and work papers as may be reasonably required by the Accounting Firm to fulfill its obligations hereunder during normal business hours (such access not to unreasonably disrupt the operations of Buyer, the Company, the Newly Granted Permittees or the Sellers).

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(d) If Sellers' Representative does not notify Buyer of any objection to the Draft Non-Cash Working Capital Statement within the twenty (20) Business Day period set forth in Section 2.4(b), the Sellers will be deemed to have accepted and approved the Draft Non-Cash Working Capital Statement and such Draft Non-Cash Working Capital Statement will be final, conclusive and binding upon the Parties, absent manifest error, and will become the "Closing Non-Cash Working Capital Statement" on the next Business Day following the end of such period.

(e) If Sellers' Representative sends a notice of objection in accordance with Section 2.4(b), or indicates it wishes a Non-Cash Working Capital adjustment to the Purchase Price notwithstanding Buyer's failure to deliver a Draft Non-Cash Working Capital Statement within the required period in accordance with Section 2.4(a), Sellers' Representative and Buyer will revise the Draft Non-Cash Working Capital Statement to reflect the final resolution or final determination of such objections under Section 2.4(c) within 5 Business Days following such final resolution or determination. Such revised Draft Non-Cash Working Capital Statement will be final, conclusive and binding upon the Parties, absent manifest error. The Draft Non-Cash Working Capital Statement will become the "Closing Non-Cash Working Capital Statement" on the next Business Day following revision of the Draft Non-Cash Working Capital Statement under this Section 2.4(e).

(f) Sellers' Representative (on behalf of the Sellers) and Buyer will each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the Draft Non-Cash Working Capital Statement. In the case of a dispute and the retention of the Accounting Firm to determine such amount(s) in dispute, the costs and expenses of such Accounting Firm will be borne by Buyer, on the one hand, and one-half by Sellers, allocated among them in accordance with their respective Seller Percentages, on the other hand. However, the Sellers and Buyer will each bear their own costs in presenting their respective cases to such Accounting Firm.

(g) The Parties agree that the procedure set forth in this Section 2.4 for resolving disputes with respect to the Draft Non-Cash Working Capital Statement is the sole and exclusive method of resolving such disputes, absent manifest error. Subject to Section 10.3, this Section 2.4(g) will not prohibit any Party from instigating litigation to compel specific performance of this Section 2.4 or to enforce the determination of the Accounting Firm.

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2.5. Non-Cash Working Capital and Closing Cash Balance Purchase Price Adjustment.

(a) If the Non-Cash Working Capital as determined from the Closing Non-Cash Working Capital Statement ("Final Closing Non-Cash Working Capital") is equal to or exceeds the Non-Cash Working Capital Target, the September Principal Amount will be increased, dollar-for-dollar, by the Closing Cash Balance, provided such increase shall be capped at the March 8th Cash Balance. The aggregate amount of the Closing Cash Balance (subject to the foregoing cap) will be allocated among the Sellers *pro rata* in accordance with their respective Seller Percentages as an increase to the principal amount of each Seller's Promissory Note accruing interest from and after the date of determination of Final Closing Non-Cash Working Capital until paid. Any such increased principal amount of the Promissory Notes will be paid together with accrued interest thereon as part of the September Principal Amount.

(b) If the Final Closing Non-Cash Working Capital is less than the Non-Cash Working Capital Target, the aggregate amount of such difference will be deducted from the Closing Cash Balance (such net amount, the "Adjusted Closing Cash Balance"), and the September Principal Amount will be increased, dollar-for-dollar, by the Adjusted Closing Cash Balance, provided such increase shall be capped at the March 8th Cash Balance. The aggregate amount of the Adjusted Closing Cash Balance (subject to the foregoing cap) will be allocated among the Sellers *pro rata* in accordance with their respective Seller Percentages as an increase to the principal amount of each Seller's Promissory Note accruing interest from and after the date of determination of Final Closing Non-Cash Working Capital until paid. Any such increased principal amount of the Promissory Notes will be paid together with accrued interest thereon as part of the September Principal Amount.

2.6. No Effect on Other Rights. The determination and adjustment of the Purchase Price in accordance with the provisions of this Article 2 will not limit or affect any other rights or causes of action either Buyer or the Sellers may have with respect to the representations, warranties, covenants and indemnities in its favor contained in this Agreement.

2.7. Tax Treatment; Allocation of Purchase Price. The Parties acknowledge and agree that, for federal income tax purposes, the Transaction shall be treated as (i) a sale of the Company Interests by the Sellers who hold Company Interests and as a purchase of assets by Buyer consistent with Revenue Ruling 99-6, Situation 2, and (ii) a sale by the Other Interest Holders of the Permittee Interests and a purchase of assets by Buyer consistent with Revenue Ruling 99-6, Situation 1; and each Party will not voluntarily take any position inconsistent therewith. The Purchase Price will be allocated to the assets of the Company and the Newly Granted Permittees for income Tax purposes in accordance with Section 1060 of the Code (and any similar provision of state, local, or foreign Law, as appropriate) and in a manner consistent with the values to be mutually agreed upon by Buyer and the Sellers' Representative, acting reasonably. The Parties will each adopt and utilize the agreed upon values for purposes of filing IRS Form 8594, IRS Form 8308 and all federal, state and other Tax Returns filed by each of them or filed with respect to the Company and the Newly Granted Permittees (unless, in each case, otherwise required by Law), and each of them will not voluntarily take any position inconsistent therewith upon examination of any such Tax Return, in any Proceeding or otherwise with respect to such Tax Returns. Buyer and the Sellers each agree to provide promptly the other(s) with any other information required to complete IRS Form 8594 or IRS Form 8308. For Tax purposes, notwithstanding anything in the Term Sheet or this Agreement to the contrary, the Parties shall treat the Initial Payment and the Second Payment as interest-free loans from Buyer to Company, each with a maturity date of the Outside Date.

2.8. Pre-Closing Permit Revocation Claim Adjustment. Notwithstanding anything to the contrary set forth herein, in the event a Permit Revocation Claim (defined below) occurs prior to Closing, the Purchase Price will be reduced as follows: (i) Nine Million Dollars (\$9,000,000) for the revocation of the Permit held by FBS Penn NE, Twelve Million Dollars (\$12,000,000) for the revocation of the Permit held by FBS Penn SW, and Fifteen Million Dollars (\$15,000,000) for the revocation of the Permit held by FBS SE. The Purchase Price reduction as provided for in this Section 2.8 shall be allocated *pro rata* among the Sellers in accordance with their respective Seller Percentages and applied as a reduction of amounts due to each Seller under its Promissory Note in order of maturity.

2.9. Sellers' Representative Fund. The Sellers' Representative shall use the Sellers' Representative Fund to (i) pay any unpaid Seller Transaction Expenses, (ii) make distributions to the applicable Sellers in accordance with the terms of this Agreement and (iii) pay all costs and expenses incurred by or on behalf of the Sellers' Representative, in its capacity as such, including all costs and expenses incurred in connection with any dispute or claim with respect to the Transaction. The Sellers' Representative Fund will be held or disbursed, in whole or in part, as determined in good faith by the Sellers' Representative. Excess amounts (as determined in good faith by the Sellers' Representative from time to time) will be released from the Sellers' Representative Fund to the Sellers *pro rata* in accordance with their respective Seller Percentages. The Sellers' Representative Fund will be increased by any payments received by the Sellers' Representative, in its capacity as such, pursuant to any other provision of this Agreement. The Sellers' Representative, in its capacity as such, shall not have any personal liability for the payment of any Seller Transaction Expenses.

ARTICLE 3 **CLOSING DATE**

3.1. Closing. The closing of the Transaction (the "Closing") will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of the applicable conditions set forth in Article 7 and in any event within 3 Business Days thereafter, or on such other date as Buyer and the Sellers may mutually determine (the "Closing Date"). The Closing will be deemed to have occurred at 8:00 a.m., Eastern Daylight Time, on the Closing Date.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES** **OF THE SELLERS AND THE COMPANY**

As of the date hereof, except as set forth on the disclosure schedules delivered by the Company to Buyer on the date hereof (the "Company Disclosure Schedules"), (a) each Seller, severally and not jointly, represents and warrants to Buyer that the Seller Individual Representations in this Article 4, as they apply to such Seller, are true and correct, and (b) the Company represents and warrants to Buyer that the representations and warranties in this Article 4 (other than the Seller Individual Representations) are true, complete and correct. A fact or matter disclosed in the Company Disclosure Schedules with respect to one section or subsection thereof will be deemed to be disclosed with respect to both that section or subsection thereof, as well as any other section or subsection of such Company Disclosure Schedules to the extent that it is apparent from the face of such exception that such exception is applicable to such other section. The inclusion of any matter on the Company Disclosure Schedules will not be deemed an admission by any party that such listed matter is material. In addition, matters reflected in the Company Disclosure Schedules are not necessarily limited to matters required by this Agreement to be reflected in such disclosure schedules, and any such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. No information set forth in the Company Disclosure Schedules shall be deemed to broaden in any way the scope of the corresponding representations and warranties. No disclosure in the Company Disclosure Schedules relating to any possible breach or violation of any agreement, permit, license or Law shall constitute an admission of liability to any third party. Notwithstanding anything to the contrary provided in this Agreement (in addition to any specific exception to Federal Cannabis Laws and any similar Law set forth in this Article 4), all representations, warranties covenants and disclosures of the Company and the Sellers in this Article 4 are being made with exception to and not with respect to Federal Cannabis Laws.

4.1. Organization and Authority of the Company and each Newly Granted Permittee to Conduct Business. Each of the Company and each Newly Granted Permittee is duly organized, validly existing and in active status under the laws of its respective jurisdiction of formation. Each of the Company and each Newly Granted Permittee is duly qualified and in good standing in each jurisdiction where it is required to be qualified. Except as set forth on Schedule 4.1 of the Company Disclosure Schedules, no Affiliate of the Company or any Newly Granted Permittee owns or has any interest in any of the assets used in the Business. The Company and each Newly Granted Permittee has full limited liability company power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

4.2. Power and Authority; Binding Effect.

(a) Such Seller has all necessary power and authority and has taken all action necessary to authorize, execute and deliver this Agreement, and to perform such Seller's obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by such Seller and constitutes a legal (except under Federal Cannabis Laws), valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations and Federal Cannabis Laws.

(b) The Company has all necessary power and authority and has taken all action necessary to authorize, execute and deliver this Agreement, to consummate the Transaction, and to perform its obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations and Federal Cannabis Laws.

4.3. Equity Information. The Company Interests and the Permittee Interests are held exclusively by the Sellers, in the amounts set forth on Schedule 4.3 of the Company Disclosure Schedules. The Company Interests represent 100% of the outstanding equity interests of the Company, and the Permittee Interests represent 100% of the outstanding equity interests owned by the Other Interest Holders in the Newly Granted Permittees, such that upon acquisition of the Permittee Interests at Closing the Company will own one hundred percent (100%) of the outstanding equity interests in each of the Newly Granted Permittees. The Company Interests and Permittee Interests have been duly authorized and validly issued and have been issued in compliance with applicable securities Laws. The Company and each Newly Granted Permittee has made available to Buyer true, correct and complete copies of their respective organizational documents, each as currently in effect. The minute books of the Company and each Newly Granted Permittee contain true, complete and correct records in all material respects of all meetings and other material limited liability company actions held or taken by members, managers or other governing bodies through the date hereof. All such minute books of the Company and the Newly Granted Permittees have been made available to Buyer. There are not now outstanding any other equity interests, phantom equity interests or other securities, or any options, warrants or any rights related to the Company or any Newly Granted Permittee or to any other equity interests, phantom equity interests or other securities of the Company or any Newly Granted Permittee. There are no agreements of any kind relating to the issuance of any equity interests of the Company or any Newly Granted Permittee, or any convertible or exchangeable securities or any options, warrants or other rights relating to the equity interests of the Company or any Newly Granted Permittee. There are no voting agreements, voting trusts, buy-sell

agreements, options or right of first purchase agreements or other agreements of any kind relating to the Company Interests or the Permittee Interests, other than as provided in the Company's limited liability company agreement or limited liability company agreements of the Newly Granted Permittees.

4.4. Title.

(a) Such Seller owns good title to the Company Interests and/or Permittee Interests set forth next to such Seller's name on Schedule 4.3 of the Company Disclosure Schedules, free and clear of all Encumbrances (other than Encumbrances arising under applicable federal and state securities Laws or Pennsylvania Cannabis Laws, or as contemplated in this Agreement). Subject to compliance with the Pennsylvania Cannabis Laws and satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer and/or the Permittee Interests to the Company on the Closing Date, such Seller has or will have on or before the Closing Date, the full and unrestricted power to sell, assign, transfer and deliver the Company Interests and/or Permittee Interests that such Seller owns pursuant to the terms of this Agreement. Such Seller is not a party to any option, warrant, purchase right or other contract or commitment that could (including upon the occurrence of any contingency or event) require such Seller to sell, transfer or otherwise dispose of any of the Company Interests or Permittee Interests or any interest therein, other than this Agreement or at Closing. Other than this Agreement and the limited liability company agreements of the Company and the Newly Granted Permittees, such Seller is not a Party to any voting trust, proxy or other agreement or understanding with respect to such Seller's ownership, voting or transfer of, or otherwise related to, the Company Interests and/or Permittee Interests that such Seller owns. Upon delivery to Buyer of certificates for the Company Interests at the Closing, if certificated, Buyer will acquire good, valid and marketable title to the Company Interests, free and clear of all Encumbrances (other than Encumbrances arising under applicable federal and state securities Law, the Pennsylvania Cannabis Laws or as contemplated in this Agreement or the Promissory Notes). Upon delivery to the Company of certificates for the Permittee Interests at the Closing, if certificated, the Company will acquire good, valid and marketable title to the Permittee Interests, free and clear of all Encumbrances (other than Encumbrances arising under applicable federal and state securities Law, the Pennsylvania Cannabis Laws or as contemplated in this Agreement or the Promissory Notes).

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(b) Except as set forth on Schedule 4.4(b) of the Company Disclosure Schedules and except for Permitted Encumbrances, the Company and each Newly Granted Permittee has good title to all of its assets, free and clear of all Encumbrances.

4.5. No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transaction, and the fulfillment of the terms of this Agreement, do not and will not result in or constitute (a) a violation of or conflict with any provision of the organizational or other governing documents of the Company or any Newly Granted Permittee, (b) except as set forth on Schedule 4.5 of the Company Disclosure Schedules, a breach of, a loss of rights under, or an event, occurrence, condition or act which is or, with the giving of notice or the lapse of time, would become, a material default under, or result in the acceleration of any obligations under, any term or provision of, any Material Contract, multiple Minor Contracts (which in the aggregate cause a Material Adverse Effect with respect to the Company or any Newly Granted Permittee), license, franchise, permit or authorization to which the Company or any Newly Granted Permittee is a party, (c) subject to compliance with the Pennsylvania Cannabis Laws and satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer and/or the Permittee Interests to the Company on the Closing Date, a violation by the Company or any Newly Granted Permittee of any statute, rule, regulation, ordinance, by-law, code, order, judgment, writ, injunction, decree or award applicable to the Company or any Newly Granted Permittee which could result in a penalty or a loss of privilege (except for Federal Cannabis Laws) or (d) an imposition of any Encumbrance (other than a Permitted Encumbrance) on the assets of the Company or any Newly Granted Permittee.

4.6. Consents and Approvals. Except as otherwise set forth on Schedule 4.6 of the Company Disclosure Schedules and subject to compliance with the Pennsylvania Cannabis Laws and satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer and/or the Permittee Interests to the Company on the Closing Date, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by the Company or any Newly Granted Permittee in connection with the execution, delivery and performance of this Agreement and the consummation of the Transaction or will be necessary to ensure the continuing validity and effectiveness immediately following the Closing of any Permit or Material Contract of the Company or any Newly Granted Permittee, as applicable.

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4.7. No Proceedings.

(a) With respect to such Seller, there is no material Proceeding pending or threatened against, relating to or affecting in any adverse manner, the Transaction.

(b) With respect to the Company and each Newly Granted Permittee, there is no material Proceeding pending or threatened against, relating to or affecting in any adverse manner, the Transaction.

4.8. Financial Statements; Unknown Liabilities.

(a) The Company has made available to Buyer the Financial Statements. The Financial Statements fairly present the financial condition and the results of operations of the Company and the Newly Granted Permittees as of their respective dates and for the periods then ended in accordance with GAAP applied on a consistent basis, subject to, in the case of any unaudited Financial Statements, normal year-end adjustments. The books and records of the Company and the Newly Granted Permittees from which the Financial Statements were prepared fairly reflect the assets, liabilities and operations of the Company and the Newly Granted Permittees in all material respects, and the Financial Statements are in conformity therewith in all material respects.

(b) Except as disclosed in Schedule 4.8(b)(i) of the Company Disclosure Schedules, there are no material liabilities or obligations of any nature, whether absolute, accrued, contingent, known, unknown, matured, unmatured or otherwise, which would have been required to be disclosed or provided for in the Financial Statements, except (i) liabilities and obligations reflected in or reserved against the Financial Statements as of March 31, 2019 and (ii) liabilities and obligations incurred between April 1, 2019 and the Closing Date in the ordinary course of the Business of the Company and the Newly Granted Permittees (none of which results from, arises out of or relates to any breach of contract, breach of warranty, tort, infringement or violation of Law (except for Federal Cannabis Laws)), including, without limitation, the Seller Transaction Expenses. Except as disclosed in Schedule 4.8(b)(ii) of the Company Disclosure Schedules, neither the Company nor any Newly Granted Permittee has any Indebtedness.

4.9. Taxes.

(a) Except as set forth on Schedule 4.9(a) of the Company Disclosure Schedules, (i) the Company and each Newly Granted Permittee has duly and timely filed all income Tax Returns and all other material Tax Returns that the Company and each Newly Granted Permittee was required to file, (ii) all such Tax Returns are true, correct and complete in all material respects (including without limitation in full compliance with Section 280E of the Code), (iii) all Taxes required to have been withheld and paid by the Company or any Newly Granted Permittee in connection with amounts paid or owing to any employee, independent contractor, creditor, member or other third party have been properly withheld and paid, and all Forms W-2 and 1099 (or similar Tax Return) required with respect thereto have been properly completed and filed by the Company or the applicable Newly Granted Permittee, (iv) all Taxes required to have been paid by the Company and each Newly Granted Permittee (whether or not shown on any Tax Return) have been paid (and such Taxes have been paid consistent with Section 280E of the Code), (v) neither the Company nor any Newly Granted Permittee is

currently the beneficiary of any extension of time within which to file any Tax Return, (vi) no written notice has been received by the Company or any Newly Granted Permittee and no claim has been made within the past 5 years by any Governmental Authority in any jurisdiction where the Company or any Newly Granted Permittee does not file Tax Returns that it is or may be subject to taxation by that jurisdiction, (vii) there is no dispute or claim concerning any Tax liability of the Company or any Newly Granted Permittee either claimed or raised by any Governmental Authority in writing and (viii) neither the Company nor any Newly Granted Permittee has waived any Tax related statute of limitations which period (after giving effect to such waiver) has not yet expired.

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(b) Neither the Company nor any Newly Granted Permittee is bound by or has any obligation under or potential liability with respect to any Tax allocation, Tax sharing or Tax indemnification agreement or similar Contract or arrangement. Neither the Company nor any Newly Granted Permittee has any liability for Taxes of any other Person under the Code or any provisions of any Law, as a transferee or successor, or by any Contract which deals primarily with Taxes. There are no Encumbrances for Taxes (other than Permitted Encumbrances), upon the assets of the Company or any Newly Granted Permittee or upon any Company Interests or Permittee Interests.

(c) Neither the Company nor any Newly Granted Permittee has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(d) At all times since the date of its organization, (i) the Company and each Newly Granted Permittee has been classified under Treasury Regulation Section 301.7701-2(a) as either a partnership or a disregarded entity for federal and state income Tax purposes, (ii) neither the Company nor any Newly Granted Permittee has been a member of an affiliated group (as defined in Section 1504(a) of the Code or corresponding provision of state, local or non-U.S. Tax Law) or filed or been included in a consolidated, combined or unitary federal or state income Tax Return (other than a consolidated, combined or unitary Tax Return of which the Company was the common parent), and (iii) neither the Company nor any Newly Granted Permittee has had any Liability for the Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. Tax Law), as a transferee or successor, by contract or otherwise.

(e) Neither the Company nor any Newly Granted Permittee will be required to include any amount in, or exclude any item of deduction from, income for any Tax period ending after the Closing Date as a result of a change in accounting method made in any Pre-Closing Tax Period with respect to any such Pre-Closing Tax Period. Except as set forth in Schedule 4.9(e) of the Company Disclosure Schedules, neither the Company nor any Newly Granted Permittee will be required to include in any Tax period or portion thereof after the Closing Date any item of income that accrued in a Pre-Closing Tax Period but was not recognized in any Pre-Closing Tax Period as a result of the installment method of accounting, the completed contract method of accounting, the long-term contract method of accounting, the cash method of accounting, a change in method of accounting for a taxable period ending on or before the Closing Date, use of any improper method of accounting for a taxable period ending on or before the Closing Date, an election under Section 108(i) of the Code, or a "closing agreement" as described in Section 7121 of the Code (or any corresponding provision of state, local, or non-U.S. Tax Law) executed on or before the Closing Date.

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(f) Neither the Company nor any Newly Granted Permittee has consummated or participated in, or is currently participating in, any transaction which was or is a "Tax shelter," "listed transaction" or "reportable transaction" as defined in Sections 6662, 6662A, 6011, 6111 or 6707A of the Code or the Treasury Regulations promulgated thereunder, including, but not limited to, transactions identified by the IRS by notice, regulation or other form of published guidance as set forth in Treasury Regulation § 1.6011-4(b)(2).

(g) Schedule 4.9(g) of the Company Disclosure Schedules lists all material Tax holidays, abatements, exemptions, incentives and similar grants made or awarded to the Company or any Newly Granted Permittee by any Tax authority or other Governmental Authority, and the Company and each Newly Granted Permittee has complied, in all material respects, with all terms and conditions related thereto, does not have any outstanding Tax liabilities thereunder and will not incur any liabilities thereunder as a result of the transactions contemplated by this Agreement.

(h) Neither the Company nor any Newly Granted Permittee is a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar contract.

(i) Neither the Company nor any Newly Granted Permittee has, nor has any of them ever had, a permanent establishment in any country outside the United States, nor has any of them been subject to Tax in a jurisdiction outside the United States. Neither the Company nor any Newly Granted Permittee has entered into a gain recognition agreement pursuant to Treasury Regulation Section 1.367(a)-8. Neither the Company nor any Newly Granted Permittee has transferred an intangible, the transfer of which would be subject to the rules of Section 367(d) of the Code.

4.10. Real Property.

(a) Neither the Company nor any Newly Granted Permittee owns, or has ever owned, any fee or other ownership interest in any real property. Schedule 4.10(a) of the Company Disclosure Schedules lists the street address of each parcel of Real Property leased by the Company or any Newly Granted Permittee (the "Leased Real Property"), and a list, as of the date of this Agreement, of all leases for each parcel of Leased Real Property (collectively, "Leases"), including the identification of the lessee and lessor thereunder. The Company has made available to Buyer true, accurate and complete copies of all Leases, any reciprocal easement agreements, declarations of restrictive covenants, utility contracts, roof warranties, shopping center association or co-op agreements and all other agreements that could impose material obligations on the tenant under any Lease (including all amendments, extensions and renewals with respect thereto).

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(b) Except as set forth on Schedule 4.10(b) of the Company Disclosure Schedules, (i) the Company and each Newly Granted Permittee has peaceful and undisturbed possession of any Real Property it leases, (ii) neither the Company nor any Newly Granted Permittee has assigned (collaterally or otherwise) or granted any other security interest in the Leases or any interest therein, and there are no liens on the estate or interest created by the Leases, other than Permitted Encumbrances, (iii) to the Knowledge of the Company and the Newly Granted Permittees, none of the Real Property is subject to any commitment for sale, and neither the Company nor any Newly Granted Permittee has made any commitment for use of the Real Property by any Person other than the Company or a Newly Granted Permittee, (iv) to the Knowledge of the Company and the Newly Granted Permittees, none of the Real Property is subject to any Encumbrance which in any material respect interferes with or impairs the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (v) the use of the Real Property by the Company and each Newly Granted Permittee is in compliance in all material respects with all applicable zoning, subdivision and other applicable land use ordinances, and all existing covenants, conditions, restrictions and easements, and the current use of the Real Property does not constitute a non-conforming use under the applicable zoning ordinances, and (vi) to the Knowledge

of the Company and each Newly Granted Permittee, no material default or breach exists with respect to, and neither the Company nor any Newly Granted Permittee has received any written notice of any material default or breach under, any Encumbrance affecting any of the Real Property. Neither the Company nor any Newly Granted Permittee has any Knowledge of any condemnation or eminent domain proceedings pending, contemplated or threatened, against the Real Property or any part thereof, and neither the Company nor any Newly Granted Permittee has any Knowledge of any desire of any Governmental Authority to take or use the Real Property or any part thereof. Neither the Company nor any Newly Granted Permittee has any Knowledge of any existing or threatened, general or special assessments affecting the Real Property or any portion thereof. Neither the Company nor any Newly Granted Permittee has received written notice of, nor does the Company or any Newly Granted Permittee have Knowledge of, any pending or threatened action, suit, claim, investigation or other legal proceeding (including, without limitation, condemnation or eminent domain proceeding) before any Governmental Authority which relates to the ownership, maintenance, use or operation of the Real Property, nor does the Company or any Newly Granted Permittee have Knowledge of any type of existing or intended use of any real property adjacent to the Real Property which might materially adversely affect the use of the Real Property. To the Knowledge of the Company and each Newly Granted Permittee, except as set forth on Schedule 4.10(b) of the Company Disclosure Schedules, none of the Real Property is located within any area determined to be flood prone under the Federal Flood Protection Act of 1973, or any comparable state or local Law. Neither the Company nor any Newly Granted Permittee has received any written notice from any insurance company of any defects or inadequacies in the Real Property or any part thereof which would materially and adversely affect the insurability of the Real Property or the premiums for the insurance thereof, and no written notice has been given to the Company or any Newly Granted Permittee by any insurance company which has issued a policy with respect to any portion of the Real Property or by any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work which has not been complied with. To the Knowledge of the Company and each Newly Granted Permittee, all water, sewer, gas, electric, telephone and drainage facilities and all other utilities required by Law or for the normal use and operation of the Real Property are installed to the improvements situated on the Real Property, are connected pursuant to valid permits, enter the Real Property through adjoining public streets and are otherwise adequate for the present operation of the Business by the Company and the Newly Granted Permittees and in compliance in all material respects with all Law applicable thereto. Except as set forth on Schedule 4.10(b) of the Company Disclosure Schedules, access to and from the Real Property is via public streets, which streets are sufficient for the present operation of the Business by the Company and the Newly Granted Permittees. To the Knowledge of the Company and each Newly Granted Permittee, the buildings and improvements on the Real Property (including the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been well maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. There are no repairs or replacements for any parcel of Real Property that is currently operating as a dispensary exceeding \$50,000 for any single repair or replacement which are currently contemplated by the Company or any Newly Granted Permittee, or which, to the Knowledge of the Company or any Newly Granted Permittee, should be made in order to maintain said buildings and improvements in a reasonable state of repair.

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4.11. Tangible Personal Property.

(a) Schedule 4.11(a) of the Company Disclosure Schedules sets forth (i) a list of each item of Owned Tangible Personal Property having a book value of more than US \$5,000, and (ii) a list of each item of Tangible Personal Property leased by the Company or any Newly Granted Permittee involving annual payments in excess of \$10,000 by the Company or any Newly Granted Permittee, in each case, exclusive of the motor vehicles separately scheduled in subparagraph (c) below. Except as set forth on Schedule 4.11(a) of the Company Disclosure Schedules, the Owned Tangible Personal Property is free and clear of any Encumbrances (other than Permitted Encumbrances). Except as set forth on Schedule 4.11(a) of the Company Disclosure Schedules, all of the Tangible Personal Property is primarily located at the Real Property.

(b) Except as set forth on Schedule 4.11(b) of the Company Disclosure Schedules, the Tangible Personal Property is, taken as a whole, in reasonable working order and adequate for its intended use, subject to ordinary wear and tear and normal repairs and replacements.

(c) Schedule 4.11(c) of the Company Disclosure Schedules sets forth a list of all motor vehicles owned or leased by the Company or any Newly Granted Permittee as of the date hereof, including the name of the Person that owns any such leased vehicle, the model year and the corresponding serial or identification number, if any.

4.12. Intellectual Property.

(a) Schedule 4.12 of the Company Disclosure Schedules sets forth a list of: (i) all patents, patent applications, trademark applications and trademark registrations owned by the Company or any Newly Granted Permittee; (ii) all patents, patent applications, trademark applications and trademark registrations licensed to the Company or any Newly Granted Permittee by a third party; and (iii) all licenses pursuant to which any material Intellectual Property of the Company or any Newly Granted Permittee is licensed or sublicensed to a third party (other than commercially available shrink-wrap or click-through end-user license agreements). Neither the Company nor any Newly Granted Permittee has received written notice from any third party regarding any assertion or claim challenging the validity of any Intellectual Property used in the Business; and neither the Company nor any Newly Granted Permittee has received written notice from any third party regarding any actual or potential infringement by the Company or any Newly Granted Permittee of any Intellectual Property of any third party.

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(b) (i) There is no intellectual property necessary to or used in the Business other than the Intellectual Property owned by or licensed to the Company and/or the Newly Granted Permittees, (ii) except as set forth on Schedule 4.12 of the Company Disclosure Schedules, each item of Intellectual Property owned or used by the Company or a Newly Granted Permittee immediately prior to the Closing Date will be owned or available for use by the Company or such Newly Granted Permittee on substantially similar terms and conditions immediately subsequent to such date, and (iii) the Company and each Newly Granted Permittee has taken reasonable commercial actions to maintain and protect each item of Intellectual Property.

4.13. Compliance with Laws and Permits.

(a) Except as set forth on Schedule 4.13(a) of the Company Disclosure Schedules, the conduct of the Business is in compliance in all material respects with all applicable Governmental Requirements and Permits, except the Federal Cannabis Laws.

(b) The Company and each Newly Granted Permittee has used best efforts to ensure that the Company or such Newly Granted Permittee does not: (i) distribute marijuana to minors; (ii) direct revenue from the sale of marijuana to criminal enterprises, gangs, and cartels, or otherwise have any involvement with such groups; (iii) divert marijuana from states where it is legal under state law in some form to other states; (iv) use state-authorized marijuana activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity; (v) use violence or firearms in the cultivation and distribution of marijuana; (vi) contribute to drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (vii) grow or possess marijuana on public lands; or (viii) promote marijuana possession or use on federal property.

(c) The Company and the Newly Granted Permittees only operate in jurisdictions that have enacted laws legalizing cannabis. The Company and each Newly Granted Permittee is in compliance in all material respects with all applicable state and local laws and regulatory systems controlling the cultivation, harvesting, production, handling, storage, distribution, sale, and possession of cannabis. Neither the Company nor any Newly Granted Permittee imports or exports cannabis products from or to any other state or foreign country.

(d) Except as set forth on Schedule 4.13(d) of the Company Disclosure Schedules, neither the Company nor any Newly Granted Permittee has ever received any written notice from any Governmental Authority to the effect that, or has otherwise been advised that, the Company or such Newly Granted Permittee is not in compliance in all material respects with any applicable Governmental Requirement, and to the Knowledge of the Company and each Newly Granted Permittee there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any applicable Governmental Requirement or Permit.

(e) Schedule 4.13(e) of the Company Disclosure Schedules identifies all material Permits issued to the Company and currently in effect. Except as set forth on Schedule 4.13(e) of the Company Disclosure Schedules, the Permits held by the Company constitute all permits, consents, licenses, franchises, authorizations and approvals of the Company used in the operation of and necessary to conduct the Business as currently conducted. All of the Permits held by the Company are valid and in full force and effect, no violations have been experienced, noted or recorded and no Proceeding is pending or, to the Knowledge of the Company, threatened to revoke or limit any of the Permits held by the Company.

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(f) Schedule 4.13(f) of the Company Disclosure Schedules identifies all material Permits issued to each Newly Granted Permittee and currently in effect. Except as set forth on Schedule 4.13(f) of the Company Disclosure Schedules, the Permits held by the Newly Granted Permittees constitute all permits, consents, licenses, franchises, authorizations and approvals of the Newly Granted Permittees used in the operation of and necessary to conduct the Business as currently conducted. All of the Permits held by the Newly Granted Permittees are valid and in full force and effect, no violations have been experienced, noted or recorded and no Proceeding is pending or, to the Knowledge of any Newly Granted Permittee, threatened to revoke or limit any of the Permits held by the Newly Granted Permittees.

(g) The Company (i) holds a valid Phase I Medical Marijuana Dispensary Permit relating to the Southeast Region of Pennsylvania under the MMP and issued by the DOH as of the date of this Agreement, (ii) will continue to hold such Permit through the Closing Date and (iii) has not received notice of any violations from the DOH, nor, to the Company's Knowledge, does it have any reason to believe any violations have occurred, relating to such Permit or the Company's activities thereunder. No Proceeding is pending or, to the Knowledge of the Company, threatened to revoke or limit the Phase I Medical Marijuana Dispensary Permit held by the Company.

4.14. Litigation. Except as set forth on Schedule 4.14 of the Company Disclosure Schedules, there is no Proceeding pending or, to the Knowledge of the Company or any Newly Granted Permittee, currently threatened which is (a) a Proceeding involving the Company or any Newly Granted Permittee or their respective properties, assets or business or (b) a Proceeding relating to the Business and, to the Knowledge of the Company and the Newly Granted Permittees, against or relating to any shareholder, member, director, manager, officer or employee of the Company or any Newly Granted Permittee.

4.15. Labor Matters.

(a) Schedule 4.15(a) of the Company Disclosure Schedules identifies for each current employee of the Company and each Newly Granted Permittee with a current annual compensation, his or her name, his or her position or job title, his or her base compensation and bonus compensation earned in the fiscal year of the Company ending December 31, 2018, and his or her 2019 base compensation. Except as set forth on Schedule 4.15(a) of the Company Disclosure Schedules: (i) neither the Company nor any Newly Granted Permittee has any obligations under any written or oral labor agreement, collective bargaining agreement or other agreement with any labor organization or employee group, (ii) neither the Company nor any Newly Granted Permittee is currently engaged in any unfair labor practice and there is no unfair labor practice charge or other employee-related or employment-related complaint against the Company or any Newly Granted Permittee pending or, to the Knowledge of the Company or any Newly Granted Permittee, threatened before any Governmental Authority, (iii) there is currently no labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute or arbitration pending or, to the Knowledge of the Company or any Newly Granted Permittee, threatened against the Company or any Newly Granted Permittee and no material grievance is currently being asserted by any employee of the Company or any Newly Granted Permittee, (iv) neither the Company nor any Newly Granted Permittee has experienced a labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute at any time during the 3 years immediately preceding the date of this Agreement and (v) there is no organizational campaign being conducted or, to the Knowledge of the Company or any Newly Granted Permittee, contemplated and there is no pending or, to the Knowledge of the Company or any Newly Granted Permittee, threatened petition before any Governmental Authority or other dispute as to the representation of any employees of the Company or any Newly Granted Permittee.

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(b) Except as set forth on Schedule 4.15(b) of the Company Disclosure Schedules, neither the Company nor any Newly Granted Permittee has terminated the employment of any employee whose annual compensation was greater than \$50,000 in 2018 or anticipated to be greater than \$50,000 in 2019, during the 90 days preceding the date hereof.

4.16. Employee Benefit Plans.

(a) Schedule 4.16(a) of the Company Disclosure Schedules sets forth a list identifying each Employee Pension Benefit Plan of the Company or any Newly Granted Permittee (the "Pension Plans"). Except as set forth on Schedule 4.16(a) of the Company Disclosure Schedules, neither the Company nor any Newly Granted Permittee nor any of their respective ERISA Affiliates has sponsored or contributed to or been required to contribute to (i) an Employee Pension Benefit Plan or (ii) a multiemployer plan within the meaning of 3(37) of ERISA.

(b) Schedule 4.16(b) of the Company Disclosure Schedules sets forth a list identifying each Employee Welfare Benefit Plan (the "Welfare Plans") of the Company or any Newly Granted Permittee.

(c) With respect to each Employee Benefit Plan, the Company or the applicable Newly Granted Permittee has delivered or has made available to Buyer complete copies, if applicable, of (i) all plan documents (or, if not written, a summary of material plan terms), including, insurance contracts or other funding vehicles and all amendments thereto, and (ii) all summaries and summary plan descriptions, including any summary of material modifications.

(d) There has been no amendment to, written interpretation or announcement (whether or not written) by the Company or the applicable Newly Granted Permittee relating to, or change in employee participation or coverage under, any Employee Benefit Plan that would increase materially the expense of maintaining such Employee Benefit Plan above the level of expense incurred in respect of such Employee Benefit Plan for the most recent plan year with respect to Employee Benefit Plans.

(e) Each Employee Benefit Plan has been maintained in material compliance with its terms and the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to, ERISA and the Code, which are applicable to such Employee Benefit Plan.

(f) With respect to each Employee Benefit Plan, there are no pending or, to the Knowledge of the Company or any Newly Granted Permittee, threatened (i) claims, suits or other proceedings by any employees, former employees or plan participants or the beneficiaries, spouses or representatives of any of them, other than ordinary and usual claims for benefits by participants or beneficiaries, or (ii) suits, investigations or other proceedings by any Governmental Authority.

(g) No Welfare Plan provides benefits, including, without limitation, any severance or other post-employment benefit, salary continuation, termination, death, disability, or health or medical benefits (whether or not insured), life insurance or similar benefit with respect to current or former employees (or their spouses or dependents) of the Company or any Newly Granted Permittee beyond their retirement or other termination of service other than (i) coverage mandated by applicable Law, or (ii) benefits, the full cost of which is borne by the current or former employee (or his or her beneficiary).

(h) The Company and each Newly Granted Permittee has complied with, and satisfied, the requirements of COBRA with respect to each Welfare Plan that is subject to the requirements of COBRA. Each Welfare Plan which is a group health plan, within the meaning of Section 9832(a) of the Code, has complied with and satisfied the applicable requirements of Sections 9801 and 9802 of the Code.

(i) Schedule 4.16(i) of the Company Disclosure Schedules contains a list identifying each employment, severance or similar contract, arrangement or policy and each plan or arrangement providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental employment benefits, vacation benefits, retirement benefits, deferred compensation, bonuses, profit-sharing, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement compensation or benefit which (i) is not an Welfare Plan or a Pension Plan and (ii) has been entered into or maintained, as the case may be, by the Company or any Newly Granted Permittee and any employee or former employee of the Company or any Newly Granted Permittee. Such contracts, plans and arrangements are referred to collectively as the "Benefit Arrangements." True and complete copies or descriptions of the Benefit Arrangements have been made available to Buyer. Each Benefit Arrangement has been maintained in material compliance with the requirements prescribed by any and all statutes, orders, rules and regulations which are applicable to such Benefit Arrangements.

(j) No payment or benefit provided pursuant to any agreement, between the Company or any Newly Granted Permittee and any "service provider" (as such term is defined in Section 409A of the Code and the Treasury Regulations and Internal Revenue Service guidance thereunder), will or may provide for the deferral of compensation subject to Section 409A of the Code that is not in compliance with Section 409A of the Code. Each stock option and stock appreciation right, if any, was granted with an exercise price that was not less than the fair market value of the underlying common stock on the date the option or right was granted based upon a reasonable valuation method. The execution and delivery of this Agreement and the consummation of the Transaction will not (either alone or upon the occurrence of any additional or subsequent events) constitute an event under any agreement that will or may result in any payment of deferred compensation which will not be in compliance with Section 409A of the Code if timely paid in accordance with the terms of the agreement.

(k) There is no contract, agreement, plan or arrangement covering any employee or former employee of the Company or any Newly Granted Permittee that, individually or in aggregate, could give rise to the payment by the Company or any Newly Granted Permittee, directly or indirectly, of any amount that would not be deductible pursuant to the terms of Section 280G of the Code.

(l) Neither the Company nor any Newly Granted Permittee is a Party to, or otherwise obligated under, any Employee Benefit Plan or other agreement, that provides for a gross-up, make-whole or other additional payment with respect to any Taxes, including those imposed by Sections 409A and 4999 of the Code.

(m) Each individual who renders services to the Company or any Newly Granted Permittee and is classified as having the status of an independent contractor, consultant or other non-employee status is properly classified for all purposes, including eligibility to participate in the Employee Benefit Plans.

(n) The Company, each Newly Granted Permittee and each applicable Employee Benefit Plan and Benefit Arrangement are in compliance in all material respects with the Patient Protection and Affordable Care Act, including compliance with all filing and reporting requirements, all waiting periods and the offering of affordable health insurance coverage compliant with the Patient Protection and Affordable Care Act to all employees and consultants who meet the definition of a full time employee under the Patient Protection and Affordable Care Act. No excise tax or penalty under the Patient Protection and Affordable Care Act is outstanding, has accrued, or will become due with respect to any period prior to the Closing.

4.17. Transactions with Certain Persons Except as set forth on Schedule 4.17 of the Company Disclosure Schedules or as otherwise disclosed in this Agreement, (a) no Related Person is presently or at any time during the past 2 years has been a party to any transaction with the Company or any Newly Granted Permittee including any material contract, agreement or other arrangement (i) providing for the furnishing of services to or by, (ii) providing for the rental or sale of real or personal property to or from or (iii) otherwise requiring payments to or from (other than for services as officers or employees of the Company or a Newly Granted Permittee), such Related Person and (b) no shareholder, member, director, manager, officer or employee or any other direct or indirect beneficial owner of the Company or any Newly Granted Permittee is related to any other shareholder, member, director, manager, officer or employee or any other direct or indirect beneficial owner of the Company by blood or marriage (a "Related Party Transaction"). Except as set forth on Schedule 4.17 of the Company Disclosure Schedules, there is no outstanding amount in excess of Five Thousand Dollars (\$5,000.00) owing (including pursuant to any advance, note or other indebtedness instrument) from the Company or any Newly Granted Permittee to any Related Person or from any Related Person to the Company or any Newly Granted Permittee.

4.18. Insurance. Schedule 4.18 of the Company Disclosure Schedules contains a complete and accurate list of all current policies or binders of Insurance (showing as to each policy or binder the carrier, policy number and a general description of the type of coverage provided) maintained by the Company and each Newly Granted Permittee and relating to its properties, assets, operations and personnel. Except as set forth on Schedule 4.18 of the Company Disclosure Schedules, all of the Insurance is "occurrence" based insurance. Subject to the Enforceability Limitations, the Insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of applicable Law and of all contracts to which the Company and each Newly Granted Permittee is a party. Neither the Company nor any Newly Granted Permittee is in material default under any of the Insurance, and neither the Company nor any Newly Granted Permittee has failed to give any notice or to present any claim under any of the Insurance in a timely manner. No notice of cancellation, termination, reduction in coverage or material increase in premium (other than reductions in coverage or increases in premiums in the ordinary course) has been received with respect to any of the Insurance, and all premiums with respect to any of the Insurance have been paid. Except as disclosed on Schedule 4.18 of the Company Disclosure Schedules, neither the Company nor any Newly Granted Permittee has experienced claims in excess of current coverage of the Insurance. Except as disclosed on Schedule 4.18 of the Company Disclosure Schedules, there will be no material retrospective insurance premiums or charges or any other similar adjustment on or with respect to any of the Insurance for any period or occurrence through the Closing Date.

4.19. Inventory; No Product Recalls Except as set forth on Schedule 4.19 of the Company Disclosure Schedules, (i) all of the Inventory is owned by the Company or a Newly Granted Permittee, as applicable, free and clear of any Encumbrances (other than Permitted Encumbrances) and is located at the Real Property, (ii) no material amount of the Inventory is on consignment, and (iii) the Inventory as reflected in the Financial Statements has been valued in a manner consistent with past practices and procedures and in accordance with GAAP. The levels of the Inventories are consistent in all material respects with the level of Inventories that have been maintained by the

Company and the Newly Granted Permittees before the date of this Agreement in the ordinary course of the Business and consistent with past practices in light of seasonal adjustments, market fluctuations and the requirements of customers of the Business. The Company and the Newly Granted Permittees purchase all of their Inventory from third parties. All Inventory purchased by the Company and the Newly Granted Permittees from third parties was, to the Knowledge of the Company and each Newly Granted Permittee, cultivated, harvested, produced, tested, handled and delivered in accordance with all applicable Law (except for the Federal Cannabis Laws) in all material respects, and was purchased from suppliers duly licensed to cultivate, harvest and produce such products. To the Knowledge of the Company and the Newly Granted Permittees, the Inventory of the Company and the Newly Granted Permittees does not contain any prohibited pesticides, contaminants or any other substance prohibited by any Law. No recalls or withdrawals of products distributed or sold by the Company or any Newly Granted Permittee have been required or suggested by Governmental Authority and, to the Knowledge of the Company and each Newly Granted Permittee, no facts or circumstances exist that could reasonably be expected to result in any such recall or withdrawal.

4.20. Accounts Receivable. All of the Accounts Receivable of the Company and each Newly Granted Permittee are bona fide receivables, are reflected on the books and records of the Company or the applicable Newly Granted Permittee and arose in the ordinary course of the Business. Except as set forth on Schedule 4.20 of the Company Disclosure Schedules, except to the extent reserved against the Accounts Receivables on the Financial Statements or except pursuant to the terms of any applicable Material Contract, the Accounts Receivable are free and clear of Encumbrances (other than Permitted Encumbrances), there is no right of offset against any of the Accounts Receivable, and no agreement for deduction or discount has been made with respect to any of the Accounts Receivable other than in the ordinary course of the Business and as to ordinary trade discounts.

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4.21. Material Contracts. Schedule 4.21 contains a true and correct list or description of the Material Contracts. True and correct copies of the Material Contracts, including all amendments applicable thereto, have been made available to Buyer. Each of the Material Contracts is enforceable against the Company or the applicable Newly Granted Permittee and, to the Knowledge of the Company and each Newly Granted Permittee, each other party thereto, in accordance with its terms, in each case except as such enforcement may be limited by Enforceability Limitations. Neither the Company nor any Newly Granted Permittee, nor, to the Knowledge of the Company or any Newly Granted Permittee, any other party to any Material Contract, is in material default thereunder or in material breach thereof, and neither the Company nor any Newly Granted Permittee has, during the past 12 months prior to the date hereof, obtained or granted any material waiver of or under any provision of any Material Contract except for routine waivers granted or sought in the ordinary course of the Business. To the Knowledge of the Company and each Newly Granted Permittee, there exists no event, occurrence, condition or act which constitutes or, with the giving of notice, the lapse of time or the happening of any future event or condition, would reasonably be expected to become a material default by the Company or any Newly Granted Permittee or, to the Knowledge of the Company or any Newly Granted Permittee, any other party under any Material Contracts. To the Knowledge of the Company and each Newly Granted Permittee, there is not any default threatened in writing under any Material Contracts.

4.22. Suppliers. Schedule 4.22 of the Company Disclosure Schedules contain a list of the 10 largest suppliers of the Business for the fiscal year ending December 31, 2018. Except as set forth on Schedule 4.22 of the Company Disclosure Schedules, none of the suppliers set forth on Schedule 4.22 of the Company Disclosure Schedules has informed the Company or any Newly Granted Permittee that it intends to terminate its relationship with the Company or any Newly Granted Permittee, and neither the Company nor any Newly Granted Permittee has any Knowledge that any such supplier intends to terminate such relationship or of any material problem or dispute with any such supplier.

4.23. Bank Accounts; Powers of Attorney. Schedule 4.23 of the Company Disclosure Schedules contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by the Company and each Newly Granted Permittee and all Persons entitled to draw thereon, to withdraw therefrom or with access thereto, a description of all lock box arrangements for the Company and each Newly Granted Permittee and a description of all powers of attorney granted by the Company or any Newly Granted Permittee.

4.24. Environmental Matters. Except as set forth on Schedule 4.24 of the Company Disclosure Schedules, the Company, each Newly Granted Permittee and their respective assets and operations are now and, to the Knowledge of the Company and each Newly Granted Permittee, at all times prior to the date hereof have been in compliance in all material respects with all applicable Environmental Laws and environmental Permits, are, to the Knowledge of the Company and each Newly Granted Permittee, not currently or potentially the subject of any Environmental Claims and there is no factual or legal basis which could reasonably be expected to give rise to a potential or actual liability or obligation under any Environmental Laws or environmental Permits. Neither the Company nor any Newly Granted Permittee has retained or assumed, by contract or operation of Law, any liability or obligation of any other Person under or relating to any Environmental Law. The Real Property (including any formerly owned, leased, operated or used Real Property) of the Company and each Newly Granted Permittee is now and, to the Knowledge of the Company and each Newly Granted Permittee, at all times prior to the date hereof during the Company's or the applicable Newly Granted Permittee's use thereof has been in compliance in all material respects with all applicable Environmental Laws and environmental Permits. To the Knowledge of the Company and each Newly Granted Permittee, none of the Real Property is currently or potentially the subject of any Environmental Claims and there is no factual or legal basis which could give rise to a potential or actual liability or obligation under any Environmental Laws or environmental Permits.

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4.25. No Unlawful Contributions or Other Payments. Neither the Company nor any Newly Granted Permittee nor, to the Knowledge of the Company or any Newly Granted Permittee, any equity owner, director, manager, officer, agent, employee, affiliate, or other person associated with or acting on behalf of the Company or any Newly Granted Permittee has (a) used any limited liability company funds for any unlawful contribution, gift, entertainment, or other unlawful expense relating to political activity; (b) made any direct or indirect unlawful payment to any foreign or domestic government or regulatory official or employee; (c) made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment; or (iv) violated or is in violation of any provision of (i) the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, (ii) any applicable Law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or (iii) any other anti-bribery or anti-corruption statute or regulation.

4.26. Compliance with Anti-Money Laundering Laws. Except with respect to the Federal Cannabis Laws, the operations of the Company and each Newly Granted Permittee are and have been conducted at all times in compliance in all material respects with all applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable anti-money laundering statutes of all jurisdictions where the Company and each Newly Granted Permittee conducts business, the rules and regulations thereunder and any related or similar rules, regulations, or guidelines issued, administered, or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"); and no action, suit, or proceeding by or before any court or governmental agency, authority, or body or any arbitrator involving the Company or any Newly Granted Permittee with respect to the Anti-Money Laundering Laws is pending or, to the Knowledge of the Company or any Newly Granted Permittee, threatened in writing.

4.27. Compliance with OFAC. Neither the Company nor any Newly Granted Permittee nor, to the Knowledge of the Company or any Newly Granted Permittee, any director, manager, officer, agent, employee or Affiliate of the Company or any Newly Granted Permittee is a Person that is, or is owned or controlled by a Person that is, currently the subject or target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC") or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, or other relevant sanctions authority (collectively, "Sanctions"). Since the inception of the Company and each Newly Granted Permittee, neither the Company nor any Newly Granted Permittee has knowingly engaged in and is not now knowingly engaged in any dealings or transactions with any Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any country or territory that is the subject or the target of Sanctions,

4.28. Privacy. The Company and each Newly Granted Permittee has complied in all material respects with all applicable and material contractual and legal requirements pertaining to information privacy and security. No complaint relating to an improper use or disclosure of, or a breach in the security of, any such information has been made or, to the Knowledge of the Company or any Newly Granted Permittee, threatened against the Company or any Newly Granted Permittee. To the Knowledge of the Company and each Newly Granted Permittee, there has been no: (a) material unauthorized disclosure of any third party proprietary or confidential information in the possession, custody or control of the Company or any Newly Granted Permittee, or (b) material breach of the security procedures of the Company or any Newly Granted Permittee wherein confidential information has been disclosed to a third Person.

4.29. Absence of Certain Changes. Except as set forth on Schedule 4.29 of the Company Disclosure Schedules or contemplated by this Agreement, since March 31, 2019, the Company and each Newly Granted Permittee (or, in the case of subparagraph (f) below, the Company and the Newly Granted Permittees taken as a whole):

(a) has carried on the Business substantially in the same manner as conducted prior to March 31, 2019, and has not engaged in any transaction or activity, entered into or amended any agreement or made any commitment except in the ordinary course of the Business;

(b) has used reasonable commercial efforts to preserve its existence and business organization intact and to preserve its properties, assets and relationships with its employees, suppliers, customers and others with whom it has business relations;

(c) has not (i) granted any increase in compensation in excess of twenty percent (20%) to any employee or (ii) entered into, or amended in any material respect, any Employee Benefit Plan or Benefit Arrangements;

(d) has not entered into any settlement with respect to any Proceeding against or relating to it or any of its officers, directors, employees, or properties, assets or business involving more than \$25,000 individually or \$50,000 in the aggregate;

(e) has not (i) granted any special conditions with respect to any Account Receivable other than in the ordinary course of the Business (e.g., extended terms), (ii) failed to pay any Account Payable in excess of \$5,000 individually or \$10,000 in the aggregate on a timely basis in the ordinary course of the Business consistent with past practice, (iii) except as disclosed in this Agreement, made or committed to make any capital expenditures in excess of \$25,000 in the aggregate, (iv) taken any action designed or having the effect of accelerating or deferring the generation of Accounts Receivable in a manner inconsistent with past practice or (v) started up or acquired any new business line which is not similar to or directly complementary to any existing business line; and

(f) has not experienced any Material Adverse Effect with respect to the Company and the Newly Granted Permittees taken as a whole.

4.30. No Brokers.

(a) Except as set forth on Schedule 4.30(a) of the Company Disclosure Schedule, such Seller has not entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the Transaction.

(b) Except as set forth on Schedule 4.30(b) of the Company Disclosure Schedule, neither the Company nor any Newly Granted Permittee has entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the Transaction.

4.31. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NONE OF THE COMPANY, THE NEWLY GRANTED PERMITTEES OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SECURITYHOLDERS, AFFILIATES, MANAGERS, MEMBERS, EMPLOYEES, CONSULTANTS, AGENTS, COUNSEL OR ADVISORS MAKES OR HAS MADE ANY REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE WHATSOEVER, ORAL OR WRITTEN, EXPRESS OR IMPLIED, TO THE BUYER OR ITS AFFILIATES OR ANY OTHER PERSON. ANY REPRESENTATIONS AND WARRANTIES NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT ARE DISCLAIMED BY THE COMPANY, THE NEWLY GRANTED PERMITTEES AND THE SELLERS AND, EXCEPT IN THE CASE OF FRAUD, BUYER DISCLAIMS ANY RELIANCE ON ANY SUCH REPRESENTATIONS OR WARRANTIES NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth on the disclosure schedules delivered by Buyer to the Sellers, the Company and the Newly Granted Permittees on the date hereof (the "Buyer Disclosure Schedules"), Buyer represents and warrants as of the date hereof to the Sellers and the Company that each of the representations set forth in this Article 5 is true and correct:

5.1. Organization and Good Standing. Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the state of Delaware. Buyer has full corporate power and authority to conduct its business as presently being conducted and to own and lease its properties and assets (except under Federal Cannabis Laws).

5.2. Authority; Authorization; Binding Effect. Buyer has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the Transaction and to perform its obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by Buyer and constitutes a legal (except under Federal Cannabis Laws), valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations.

5.3. No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transaction and the performance by Buyer of its

obligations under this Agreement, do not and will not result in or constitute (a) a violation of or a conflict with any provision of the certificate of incorporation or formation, or by-laws or limited liability company agreement, of Buyer, (b) a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become, a material default under, any term or provision of any contract, agreement, indebtedness, lease, commitment, license, franchise, permit, authorization or concession to which Buyer is a party or (c) a violation by Buyer of any statute, rule, regulation, ordinance, by-law, code, order, judgment, writ, injunction, decree or award (except for Federal Cannabis Laws).

5.4. Consents and Approvals. Except as set forth on Schedule 5.4 of the Buyer Disclosure Schedules, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by Buyer in connection with the execution, delivery and performance of this Agreement and the consummation of the Transaction.

5.5. No Proceedings. There is no Proceeding pending or, to the knowledge of Buyer, threatened against, relating to or affecting in any adverse manner the Transaction.

5.6. No Brokers. Except as set forth on Schedule 5.6 of Buyer Disclosure Schedules, Buyer has not entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the Transaction.

5.7. Buyer Expertise; Purchase for Investment. Buyer has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its purchase of the Company Interests and its indirect purchase of the Permittee Interests based on the information provided to Buyer by the Sellers, the Company and the Newly Granted Permittees about the Company, the Newly Granted Permittees, the Company Interests and the Permittee Interests. Buyer can bear the economic risk of its investment in the Company Interests and its indirect investment in the Permittee Interests. The Sellers have provided the Buyer the opportunity to ask questions of the officers and management employees of the Company and each Newly Granted Permittee and to acquire such information about the business and financial condition of the Company, the Newly Granted Permittees, the Company Interests and the Permittee Interests as is necessary to make an investment decision with respect to the Company Interests and the Permittee Interests. Buyer is acquiring the Company Interests and Permittee Interests for investment and not with any present intention of distributing or selling the Company Interests or the Permittee Interests. Buyer agrees that neither the Company Interests nor the Permittee Interests may be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, rules and regulations, except pursuant to an exemption from such registration available under such federal and state laws, rules and regulations.

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5.8. Buyer Equity. Upon issuance of the Execution Stock to Sellers pursuant to Section 2.2(a)(ii), all shares of Execution Stock will be duly authorized for issuance by Buyer and, upon consummation of Closing or any earlier termination of this Agreement under circumstances where Sellers are entitled to retain the Execution Stock pursuant to the provisions of Section 8.3, all shares of Execution Stock shall be deemed fully paid and non-assessable. Upon issuance of Buyer Stock to any Seller who elected to receive such shares in lieu of some or all of the Cash Consideration otherwise payable to such Seller at Closing pursuant to Section 2.2(b)(i), all such Buyer Stock shall be duly authorized by Buyer or the other applicable issuer thereof, and shall be deemed fully paid and non-assessable.

ARTICLE 6 **PRE-CLOSING COVENANTS**

6.1. Reasonable Best Efforts. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date:

(a) Each Party will cooperate with the other Parties and use its reasonable best efforts to promptly (i) take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and the ancillary documents referenced in this Agreement and applicable Law to consummate and make effective the Transaction as soon as practicable, including preparing and filing promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (ii) obtain all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any third party and/or Governmental Authority necessary, proper or advisable to consummate the Transaction and (iii) execute and deliver such documents, certificates and other papers as a Party may reasonably request to evidence the other Party's satisfaction of its obligations hereunder. Subject to applicable Law relating to the exchange of information and in addition to Section 6.1(b), the Parties will have the right to review in advance, and, to the extent practicable, each will consult the others on, any information relating to the Company, the Newly Granted Permittees and the Sellers, or Buyer and its Affiliates, as the case may be, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Authority in connection with the Transaction.

(b) Without limiting the foregoing, the Parties will: (i) cooperate with one another promptly to determine whether any filings are required to be or should be made or consents, approvals, permits or authorizations are required to be or should be obtained under any applicable Law and (ii) in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, permits, authorizations or approvals.

(c) Without limiting Section 6.1(a), each Party will use its reasonable best efforts to avoid the entry of, or to have vacated or terminated, any Order that would restrain, prevent or delay the Closing of the Transaction, including defending through litigation or arbitration on the merits any claim asserted in any court by any Person; provided, however, that any such litigation or arbitration would be at Buyer's sole expense (except to the extent that the underlying claim resulting in litigation or arbitration was caused by the Company's or a Seller's (i) willful breach of this Agreement, (ii) willful misconduct or (iii) intentional acts of fraud).

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(d) Each Party will keep the other Parties reasonably apprised of the status of matters relating to the completion of the Transaction and work cooperatively in connection with obtaining all required approvals or consents of any Governmental Authority (whether domestic, foreign or supranational). In that regard, each of the Company, the Sellers' Representative and the Buyer (each a "Primary Party") will without limitation: (i) promptly notify the other Primary Parties of, and if in writing, furnish the other Primary Parties with copies of (or, in the case of material oral communications, advise the other Primary Parties orally of) any communications from or with any Governmental Authority with respect to the Transaction, (ii) permit the other Primary Parties to review and discuss in advance, and consider in good faith the views of the other Primary Parties in connection with, any proposed written (or any material proposed oral) communication with any such Governmental Authority, (iii) not participate in any meeting with any such Governmental Authority unless it consults with the other Primary Parties in advance and, to the extent permitted by such Governmental Authority, gives the others the opportunity to attend and participate thereat, (iv) furnish the other Primary Parties with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and any such Governmental Authority with respect to this Agreement, any ancillary documents and the Transaction, and (v) furnish the other Primary Parties with such necessary information and reasonable assistance as the other Primary Parties may reasonably request in connection with its preparation of necessary filings or submissions of information to any such Governmental Authority.

(e) Except as specifically set forth in this Agreement, including (but not limited to) Section 6.8 hereof, the Company and the Newly Granted Permittees will be responsible for all filings with any Governmental Authority relating to this Agreement or the transactions contemplated thereby.

6.2. Operation of Business. Except as otherwise expressly contemplated by this Agreement or any ancillary document or to the extent consented to by Buyer (such consent not to be unreasonably withheld, conditioned or delayed), during the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, the Company and each Seller will, and the Company and the Sellers will cause the Company and each Newly Granted Permittee to, conduct the Business in the ordinary course of the Business. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, the Company agrees to pay, and the Sellers and the Company agree to cause the Company and each Newly Granted Permittee to pay, the debts and Taxes of the Company and each Newly Granted Permittee when due (including extensions) unless subject to good faith dispute, to pay or perform other obligations in the ordinary course of the Business subject to good faith disputes over whether payment or performance is owing, and to use all commercially reasonable efforts, consistent with past practices and policies, to preserve its present business organizations, keep available the services of the employees of the Company and each Newly Granted Permittee, preserve their respective relationships with key customers, suppliers, distributors, licensors, licensees, and others having business dealings with them, and reasonably pursue all of their respective cannabis-related license applications. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, the Company will promptly notify Buyer of any event or occurrence of which the Company or any Newly Granted Permittee receives knowledge, and that the Company or the Sellers' Representative believes would have a Material Adverse Effect on the Company or any Newly Granted Permittee. Without limiting the generality of the foregoing, except as set forth on Schedule 6.2 of the Company Disclosure Schedules or expressly contemplated by this Agreement, or any ancillary document, from the date hereof until the earlier to occur of the termination of this Agreement and the Closing Date, the Company will not, and the Sellers and the Company will not cause the Company or any Newly Granted Permittee to, do any of the following without the prior written or email consent of Buyer (not to be unreasonably withheld, conditioned or delayed):

(a) adopt or propose any change to its organizational documents;

(b) merge or consolidate with any other Person or acquire equity interests or assets of any other Person or effect any business combination, recapitalization or similar transaction;

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(c) sell, lease, license, encumber or otherwise dispose of any material amount of assets, securities or other property, individually or in the aggregate, in excess of US \$100,000, except (i) if required pursuant to existing Contracts or commitments, (ii) in the ordinary course of the Business (including sale of Inventory) or (iii) as otherwise contemplated in this Agreement;

(d) declare, set aside or pay any dividend or other distribution with respect to its equity interests;

(e) issue any equity interests or rights thereto, except if required pursuant to existing Contracts or commitments;

(f) incur additional Indebtedness, or amend the terms of any existing Indebtedness, or create or incur any Encumbrance on any of its assets other than (i) in the ordinary course of the Business, (ii) Permitted Encumbrances, and (iii) the Line of Credit.

(g) make any material loan, advance or capital contribution to or investment in any Person other than trade credit in the ordinary course of the Business and other than employee loans not in excess of \$10,000 in the aggregate;

(h) grant to any employee any increase in compensation or benefits, except in the ordinary course of the Business and consistent with past practice or as may be required under existing agreements;

(i) enter into or establish any Employee Benefit Plan;

(j) enter into any new employment agreement with an annual salary in excess of \$50,000 or collective bargaining agreement or commitment to or with any employee of the Company or any Newly Granted Permittee;

(k) enter into any Related Party Transaction other than the payment of compensation to officers and employees in the ordinary course of business consistent with past practices;

(l) terminate or amend any Material Contract outside of the ordinary course of the Business other than as may be required to consummate the Transaction;

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(m) enter into any settlement with respect to any Proceeding against or relating to it involving an amount in excess of US \$10,000 in the aggregate;

(n) change any method of accounting or accounting principles or practice or cash management practices, except for any such change required by reason of a concurrent change in GAAP; or

(o) agree or commit to do any of the foregoing.

6.3. Publicity. The Primary Parties will use their reasonable efforts to (a) develop a joint communication plan with respect to this Agreement and the Transaction, (b) ensure that all press releases and other public statements with respect to this Agreement and the Transaction will be consistent with such joint communication plan, and (c) consult promptly with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction, provide to the other Primary Parties for review a copy of any such press release or statement, and not issue any such press release or make any such public statement without the other Primary Parties' consent, unless any Primary Party determines in good faith in consultation with such Primary Party's legal counsel that such disclosure is required or advisable under applicable Law, or pursuant to the rules and regulations of any applicable securities exchange. Notwithstanding the foregoing, this Section 6.3 will not restrict communications by any Party and its Affiliates that do not relate to the Transaction, nor will it restrict any Party from making any public statement or press release regarding the Sellers that is materially consistent with prior disclosures made pursuant to this Section 6.3 following a period of 60 days after the Closing Date.

6.4. Access. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, the Company and the Sellers will permit representatives of Buyer (including legal counsel and accountants) to have, upon prior written notice, reasonable access during normal business hours and under reasonable circumstances, and in a manner so as not to interfere with the normal business operations of the Company or any Newly Granted Permittee, to the premises, personnel, books, records (including Tax records (but excluding income Tax Returns of any federal consolidated (and state combined or unitary) group of which the Company or any Newly Granted Permittee is a member and limited with respect to all other Tax Returns and correspondence with accountants to the portions of such Tax Returns and correspondence with accountants that specifically relate to the Company or the applicable Newly Granted Permittee)), Material Contracts, and documents of or pertaining to the Company or any Newly Granted Permittee. Neither Buyer nor any of its Representatives will contact any employee, customer, supplier or landlord of the Company or any Newly Granted Permittee without the prior written consent of the Sellers' Representative. Notwithstanding anything to the contrary in this Section 6.4, the

Company and the Sellers will not be required to provide information that (a) would violate applicable Law or (b) constitutes information protected by the attorney/client and/or attorney work product privilege. Buyer will comply with, and will cause its representatives to comply with, all of its obligations under the confidentiality agreement previously signed with respect to the Transaction on March 8, 2019 (the "Confidentiality Agreement"), between the Company and Buyer with respect to the terms and conditions of this Agreement and the Transaction and the Confidential Information of the Company and the Newly Granted Permittees disclosed pursuant to this Section 6.4, which agreement will remain in full force and effect and survive any termination of this Agreement in accordance with the terms of the Confidentiality Agreement relating to any Sellers' Confidential Material; provided, however, that any obligations or restrictions of the Buyer under the Confidentiality Agreement relating to Company Confidential Material will be null and void as of the Closing Date.

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6.5. Notification of Certain Matters. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, except as prohibited by applicable Law, each Party will give prompt notice to the other Parties of (a) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would be likely to cause any representation or warranty of such Party contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing such that the conditions set forth in Section 7.2(a) or Section 7.3(a) would not be satisfied, and (b) any material failure of such Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder such that the conditions set forth in Section 7.2(b) or Section 7.3(b) would not be satisfied.

6.6. No Solicitation.

(a) During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, the Sellers will not, nor will they authorize or permit the Company or any Newly Granted Permittee to, nor will they authorize or permit any officer, director or employee of, or any investment banker, attorney or other advisor or representative of, a Seller or the Company or any Newly Granted Permittee, to knowingly or intentionally, (i) directly or indirectly solicit, initiate or encourage the submission of, any Acquisition Proposal, (ii) enter into any agreement, including, without limitation, a confidentiality agreement, with respect to or consummate any Acquisition Proposal, or (iii) directly or indirectly participate in any substantive discussions or negotiations regarding, furnish to any Person any confidential information with respect to, or take any other action to facilitate the making of, an Acquisition Proposal.

(b) During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date, the Sellers and the Company promptly will advise Buyer orally and in writing of any Acquisition Proposal and the material terms and conditions of any such Acquisition Proposal and provide Buyer with copies of any documents related to such Acquisition Proposal. The Sellers and the Company will keep Buyer reasonably informed of the status (including any change to the material terms thereof) of any such Acquisition Proposal. Notwithstanding anything contained in this Section 6.6(b) to the contrary, neither any Seller nor the Company nor any Newly Granted Permittee is obligated to disclose the names of the parties involved in an Acquisition Proposal.

6.7. Member Loans. On the Closing Date, all loans, and the obligations relating thereto, between any Seller, on the one hand, and the Company or any Newly Granted Permittee, on the other hand, will be terminated.

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6.8. Application for Change of Ownership.

(a) Prior to the execution of this Agreement, Buyer (and all of its affiliated persons and entities required to do so under the Pennsylvania Cannabis Laws assuming that Buyer or its successor is a publicly-traded company) (each, an "Application Party" and collectively, the "Application Parties") have completed the DOH form labeled "Reporting Individuals Affiliated with a Medical Marijuana Organization," or the applicable successor form (the "Affiliation Form") to be approved as an affiliated person of the Company and each Newly Granted Permittee. Each Application Party has submitted (or will submit upon request) the following additional materials with respect to such Application Party: (i) fingerprint card; (ii) background check conducted by DOH's agent for same; (iii) tax clearance certificate; and (iv) any other requisite materials as further directed by DOH or required by the Affiliation Form or any other provision of the Pennsylvania Cannabis Laws (collectively, the "Application Materials").

(b) The Application Materials have been jointly submitted to DOH and DOH has been notified of the Parties' intention to (i) add the Application Parties as affiliated persons of the Company and each Newly Granted Permittee and (ii) remove from affiliated person status all affiliated persons of the Company and each Newly Granted Permittee other than the Application Parties, any existing officer or employee of the Company or a Newly Granted Permittee that Buyer has agreed to retain following the Closing and up to three individuals designated by FBS-CO as provided in the Pledge Agreement (the "Affiliated Person Notification"), all effective as of the later of (A) Buyer or its successor becoming a publicly-traded company and (B) DOH approving all Application Parties as affiliated persons of the Company and the Newly Granted Permittees as a result of Jushi's prospective ownership of such entities. The Primary Parties will coordinate with each other and keep each other apprised of the submission of the Application Materials and any response or request for additional information received from DOH. In the event that the DOH requests any additional information with respect to the Affiliated Person Notification or the Application Materials, the Primary Parties will promptly respond to such requests.

(c) As set forth in Section 7.2(e), it is a condition to Closing that (i) all Application Parties have been approved by DOH as affiliated persons of the Company and each Newly Granted Permittee in accordance with the Pennsylvania Cannabis Laws or, if any Application Party is not so approved, that Buyer provides evidence satisfactory to the Company and FBS-CO (and, if required or requested, DOH) that Buyer is no longer affiliated (as defined by Pennsylvania Cannabis Laws) with such rejected Application Party, and (ii) DOH has indicated in writing its satisfaction with the Affiliated Person Notification, or if no indication is given, has not otherwise objected or indicated any objection by the date thirty (30) days following Buyer's satisfaction of the RTO Requirement (collectively, the "Regulatory Approval Condition").

6.9. Designation of Industry Professionals. Upon execution of this Agreement, Buyer may designate up to three (3) industry professionals to serve as consultants to the Company and the Newly Granted Permittees, at no cost to the Company or any Newly Granted Permittee, to assist in the review of working capital expenditures and spending oversight. Such industry professionals shall have no decision-making rights or any rights to execute any documents on behalf of the Company or any Newly Granted Permittee, and neither the Company nor any Newly Granted Permittee shall be bound to follow any recommendations from such industry professionals except to the extent that such recommendations conform to the obligations of the Company and the Newly Granted Permittees pursuant to this Agreement.

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6.10. Financial Covenants and RTO Requirement.

(a) From the execution of this Agreement through the Closing Date, Buyer covenants and agrees (i) to maintain an aggregate balance of cash, cash equivalents and credit facility liquidity greater than Thirty-Two Million Five Hundred Thousand Dollars (\$32,500,000); and (ii) to become (through operation of law via a

successor entity or otherwise) a publicly-traded corporation no later than July 31, 2019 (the “RTO Date”). Notwithstanding anything to the contrary set forth herein, in the event that Buyer has not complied with clause (ii) above (the “RTO Requirement”) on or before the RTO Date, the Company shall be permitted to market itself to other potential acquirers without violating Section 6.6 hereof, but may not enter into any agreement which impairs Buyer’s rights until this Agreement has been properly terminated in accordance with its terms.

(b) Within twenty-four (24) hours of Buyer’s satisfaction of the RTO Requirement, Buyer shall use its commercially reasonable efforts to prepare and submit any additional filings or documentation required by the DOH or any other Governmental Authority to satisfy the Regulatory Approval Condition. Buyer, the Sellers and the Company further agree to use commercially reasonable efforts and work cooperatively to meet any follow-up requests from DOH in order to satisfy the Regulatory Approval Condition as soon as practicable following Buyer’s satisfaction of the RTO Requirement.

6.11. Sellers’ Representative.

(a) Each Seller irrevocably appoints FBS-CO (the “Sellers’ Representative”) jointly with power of designation and assignment as such Seller’s true and lawful attorney-in-fact and agent with full power of substitution, to act solely and exclusively on behalf of, and in the name of, such Seller with the full power, without the consent of such Seller, to exercise as the Sellers’ Representative in its sole discretion deems appropriate, the powers which such Seller could exercise under the provisions of this Agreement, the Promissory Notes, the Pledge Agreement and the Escrow Agreement (collectively, the “Seller Agreements”), to execute each of the Promissory Note payable to such Seller, the Escrow Agreement and the Pledge Agreement on behalf of such Seller, and to take all actions necessary or appropriate in the judgment of the Sellers’ Representative in connection with the Seller Agreements, which shall include the power and authority to exercise remedies, amend, modify, waive or provide consent with respect to, any provision of the Seller Agreements and to execute, deliver and accept such waivers and consents and any and all notices, documents, certificates or other papers to be delivered in connection with the Seller Agreements and the consummation of the Transaction as the Sellers’ Representative, in its sole discretion, may deem necessary or desirable. In any Third-Party Claim in which more than one Seller is an Indemnifying Party, the Sellers’ Representative shall act on behalf of all Sellers that are Indemnifying Parties. The Buyer and the Buyer Parties, if applicable, will be entitled to rely exclusively upon any notices and other acts of the Sellers’ Representative as being legally binding acts of each Seller individually and the Sellers collectively. The appointment and power of attorney granted by each Seller to the Sellers’ Representative shall be deemed coupled with an interest and all authority conferred hereby shall be irrevocable whether by death or incapacity of any such Seller or the occurrence of any other event or events.

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(b) Each Seller acknowledges and agrees that the Sellers’ Representative will not be liable to any Seller for any act done or omitted hereunder as the Sellers’ Representative while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel will be conclusive evidence of such good faith. The Sellers will jointly and severally indemnify the Sellers’ Representative and hold it harmless against any Losses incurred without gross negligence, willful misconduct or bad faith on the part of the Sellers’ Representative and arising out of or in connection with the acceptance or administration of its duties as Sellers’ Representative under the Seller Agreements.

(c) The Sellers’ Representative is entitled to engage counsel and other advisors, and the reasonable fees and expenses of such counsel and advisors will be paid by each Seller in accordance with such Seller’s Seller Percentage. Each Seller will reimburse the Sellers’ Representative for such Seller’s Seller Percentage of any out-of-pocket, independent, third-party fees and expenses (including fees and expenses of counsel, accountants and other advisors) incurred by the Sellers’ Representative that arise out of or are in connection with the acceptance or administration of the Sellers’ Representatives’ duties under the Seller Agreements. Without limiting the generality of the foregoing, the Sellers’ Representative has the right to seek reimbursement from the Sellers’ Representative Fund and reimbursement and replenishment of the Sellers’ Representative Fund from each Seller in accordance with such Seller’s respective Seller Percentage, as reserves for reasonably anticipated expenses. The Sellers’ Representative is serving in that capacity solely for purposes of administrative convenience, and is not personally liable for any of the obligations of the Sellers hereunder solely on account of serving as the Sellers’ Representative. Any Person serving as the Sellers’ Representative hereunder may resign as the Sellers’ Representative upon at least ten (10) days prior written notice to the Sellers, the Company and the Buyer. Upon any such resignation, Sellers representing a majority of the aggregate Seller Percentages shall determine whether to appoint a replacement Person or Persons to serve as a Sellers’ Representative hereunder, and if so the identity of any such replacement Sellers’ Representative. Any such replacement Sellers’ Representative will be considered a Sellers’ Representative for all purposes of this Agreement. All rights of the Sellers’ Representative to indemnification hereunder with respect to actions or omissions while such Person was the Sellers’ Representative shall survive such Seller’s Representative’s death or resignation.

6.12. Transfer of Benefit Plan Coverage. No later than thirty (30) days following the Closing Date: (i) Buyer shall cause all employees of the Company to become covered under insurance and other employee benefit plans maintained by Buyer or one or more of its Affiliates that provide the Company’s employees with benefits reasonably comparable to those provided under the Company’s existing Benefit Arrangements maintained by Franklin Group, LLC, and upon the Company’s employees obtaining such coverage, Parent shall provide Sellers and the Company with written notice of same; and (ii) upon receiving such notice from Parent, the Company shall cause the existing coverage of the Company’s employees under the Benefit Arrangements maintained by Franklin Group, LLC to terminate; provided, however, Buyer will make commercially reasonable efforts to satisfy the foregoing clause (i) on or before the Closing Date, and provided further that if the foregoing clause (i) is satisfied only after the Closing Date, Buyer shall reimburse Franklin Group, LLC the demonstrable carriage costs incurred for maintaining the Benefit Arrangements maintained by Franklin Group, LLC for the Company’s employees from the Purchase Price Payment Date through the actual date that the foregoing clause (i) is satisfied. Buyer agree and acknowledge that termination of coverage of employees of the Company under the existing Benefit Arrangements as described in the foregoing clause (ii) shall not represent a breach of any representation, warranty or covenant by the Company or Sellers under this Agreement. The Parties agree and acknowledge that Franklin Group, LLC is a third-party beneficiary with respect to this Section 6.12.

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ARTICLE 7
CONDITIONS TO CLOSING

7.1. Conditions to Obligations of Each Party Under This Agreement. The respective obligations of each Party to effect the Transaction will be subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived in writing by a Party with respect only to itself, in whole or in part, to the extent permitted by applicable Law:

(a) Proceedings.

(i) No Governmental Authority of competent jurisdiction will have enacted, issued, promulgated, enforced or entered, other than the Federal Cannabis Laws, any statute, rule, regulation, or Order (whether temporary, preliminary or permanent) that is in effect and has the effect of making the Transaction illegal or otherwise prohibiting consummation of the Transaction.

(ii) No Proceeding will have been commenced against any Party which could reasonably prevent the Closing (either by way of injunction or other legal remedy).

(iii) There will be no other legal impediment to the Closing, except for the existence of the Federal Cannabis Laws.

(b) Consents and Approvals. The Sellers, the Company and the Newly Granted Permittees, as applicable, will have received all of the consents and approvals set out in Schedule 4.6 of the Company Disclosure Schedules, on terms satisfactory to all Primary Parties, acting reasonably. Buyer will have received all of the consents and approvals set out in Schedule 5.4 of the Buyer Disclosure Schedules on terms satisfactory to all Primary Parties, acting reasonably.

7.2. Additional Conditions to Obligations of Buyer. The obligations of Buyer to effect the Transaction are subject to satisfaction or waiver of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of the Sellers and the Company (other than the Seller Fundamental Representations) set forth in this Agreement will be true and correct in all material respects (giving effect to the applicable exceptions set forth in the Company Disclosure Schedules but without giving effect to any limitation as to “materiality” or “Material Adverse Effect”) as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date), except where the failure of such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have, a Material Adverse Effect. The Seller Fundamental Representations will be true and correct in all material respects as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). Buyer will have received certificates signed on behalf of the Sellers’ Representative and the Company to such effect.

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(b) Agreements and Covenants. Each Seller and the Company will have performed and complied with all of their respective covenants hereunder in all material respects through the Closing Date, and Buyer will have received certificates signed on behalf of the Sellers’ Representative and the Company to such effect.

(c) Documents. As of the Closing Date, all of the documents, instruments and agreements to be executed and/or delivered pursuant to this Agreement will have been executed by the Parties thereto other than Buyer and delivered to Buyer.

(d) No Material Adverse Effect. Since the date of this Agreement, no Material Adverse Effect on the Company or any Newly Granted Permittee will have occurred.

(e) Application Materials and Regulatory Approval Condition. The Application Materials and the Affiliated Person Notification shall have been timely submitted to the DOH and the Regulatory Approval Condition shall have been satisfied.

7.3. Additional Conditions to Obligations of the Sellers and the Company. The obligations of the Sellers and the Company to effect the Transaction are subject to satisfaction or waiver of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of Buyer (other than Buyer Excluded Representations) set forth in this Agreement will be true and correct in all material respects (giving effect to the applicable exceptions set forth in Buyer Disclosure Schedules but without giving effect to any limitation as to “materiality” or “Material Adverse Effect”) as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date), except where the failure of such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have, a Material Adverse Effect. The Buyer Excluded Representations will be true and correct in all material respects as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). The Sellers will have received a certificate signed on behalf of Buyer to such effect.

(b) Agreements and Covenants. Buyer will have performed and complied with all of its covenants hereunder in all material respects through the Closing Date. The Sellers will have received a certificate signed on behalf of Buyer to such effect.

(c) Documents. As of the Closing Date, as applicable, all of the documents, instruments and agreements to be executed and/or delivered pursuant to this Agreement will have been executed by the Parties thereto other than the Sellers and the Company and delivered to Sellers’ Representative.

(d) No Material Adverse Effect. Since the date of this Agreement, no Material Adverse Effect on Buyer will have occurred.

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ARTICLE 8 **TERMINATION**

8.1. Termination. This Agreement may be terminated and the Transaction may be abandoned at any time prior to the Closing Date:

(a) By mutual written consent of Buyer and the Sellers’ Representative;

(b) By either Buyer or Sellers’ Representative if:

(i) the Closing Date has not occurred on or before October 31, 2019 (the “Outside Date”); provided, that the right to terminate this Agreement under this Section 8.1(b)(i) will not be available to any Party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing Date to have occurred on or before the Outside Date (including each such Party’s failure to use commercially reasonable efforts and cooperation with the DOH to address any responses or follow-up questions therefrom); or

(ii) a Governmental Authority will have issued an Order or taken any other action (excluding any Order or action arising under, relating to or in connection with the Federal Cannabis Laws), in each case that has become final and non-appealable and that restrains, enjoins or otherwise prohibits the Transaction or any part of it; provided, that the right to terminate this Agreement under this Section 8.1(b)(ii) will not be available to any Party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the issuance of such Order or such action;

(c) By Buyer, if (i) any of the representations and warranties of the Sellers and the Company in this Agreement become untrue or inaccurate such that Section 7.2(a) would not be satisfied; (ii) there has been a material breach on the part of the Company or the Sellers of any of their respective covenants or agreements contained in this Agreement such that Section 7.2(b) would not be satisfied; (iii) prior to the Closing, (A) Buyer identifies a material issue that, in Buyer’s reasonable judgment, is having or will have a Material Adverse Effect on the Company, any Newly Granted Permittee or the Business (other than a failure to obtain the DOH approval of the

Application Parties as affiliated persons of the Company and each Newly Granted Permittee or a failure of Buyer to satisfactorily disassociate from an Application Party that was not approved by the DOH as an affiliated person of the Company or any Newly Granted Permittee), or (B) any of the Company, the Newly Granted Permittees, FBS-CO or Hazzouri Associates breaches any binding provision of the Term Sheet.

(d) By Sellers' Representative, if (i) at any time that any of the representations and warranties of Buyer in this Agreement become untrue or inaccurate such that Section 7.3(a) would not be satisfied; (ii) there has been a material breach on the part of Buyer of any of its covenants or agreements contained in this Agreement such that Section 7.3(b) would not be satisfied; or (iii) Buyer fails to comply with the RTO Requirement by the RTO Date.

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8.2. Notice of Termination. If Buyer intends to terminate this Agreement under Sections 8.1(b) or (c), or if Sellers' Representative intends to terminate this Agreement under Sections 8.1(b) or (d), such Person(s) will provide the other Parties with written notice of their intent, indicating in reasonable detail the deficiencies relied upon to terminate this Agreement, and, solely in the case of termination pursuant to Sections 8.1(c)(i), 8.1(c)(ii), 8.1(d)(i) or 8.1(d)(ii), the applicable Party or Parties will have a 30-day cure period from the date of receipt of notice (but not later than the Outside Date) in which to correct the deficiency or deficiencies identified in the notice, to the extent that such deficiencies are curable.

8.3. Effect of Termination.

(a) Except as specifically provided in this Section 8.3, in the event of the termination of this Agreement pursuant to Section 8.1, this Agreement (other than this Section 8.3, Section 6.3, the last sentence of Section 6.4, and Article 10, which will survive such termination) will forthwith become void, and there will be no liability on the part of any Party or any of their respective officers or directors to the other and all rights and obligations of any Party will cease, except that nothing in this Section 8.3 will relieve any Party from liability for fraud in the giving of any representations or warranties or for any willful and material breach, prior to termination of this Agreement in accordance with its terms, of any covenant or agreement contained in this Agreement.

(b) In the event this Agreement is terminated pursuant to Section 8.1(a) or Section 8.1(b)(ii), the Execution Stock shall automatically be forfeited and canceled, but both the Initial Payment and Second Payment shall be retained by the Company.

(c) In the event this Agreement is terminated by Sellers' Representative pursuant to Section 8.1(b)(i), the Execution Stock shall automatically be forfeited and canceled, but both the Initial Payment and Second Payment shall be retained by the Company; provided, however, that in the event that the Company executes an agreement for the sale of all or substantially all of its assets or membership interests to any entity other than Buyer or an Affiliate of Buyer within sixty (60) days of such termination, the Sellers shall pay Buyer a fee (with each Seller responsible for a portion of such fee in accordance with its Seller Percentage) equal to fifty percent (50%) of the amount of sale proceeds received by the Sellers in connection with such sale in excess of Sixty-Five Million Dollars (\$65,000,000), up to a maximum fee amount of Four Million Dollars (\$4,000,000).

(d) In the event this Agreement is terminated by Buyer pursuant to Section 8.1(b)(i) or by Sellers' Representative pursuant to Section 8.1(d), the Execution Stock shall be released from escrow to the registered holders thereof and both the Initial Payment and the Second Payment shall be retained by the Company.

(e) In the event this Agreement is terminated by Buyer pursuant to Section 8.1(c)(i), 8.1(c)(ii), or 8.1(c)(iii)(B), the Execution Stock shall automatically be forfeited and canceled, and both the Initial Payment and Second Payment shall be refunded by the Company to Buyer within thirty (30) days.

(f) In the event this Agreement is terminated by Buyer pursuant to Section 8.1(c)(iii)(A), the Execution Stock shall automatically be forfeited and canceled, the Initial Payment shall be refunded by the Company to Buyer within thirty (30) days, and the Company shall refund to Buyer all unspent portions of the Second Payment (as of the date of termination) within thirty (30) days, but the Company shall not be obligated to refund to Buyer previously spent portions of the Second Payment.

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ARTICLE 9
COVENANTS AND CONDUCT OF THE PARTIES AFTER CLOSING

9.1. Survival and Indemnifications.

(a) Survival of Representations, Warranties, Covenants and Agreements.

(i) All representations and warranties of the Sellers and the Company contained in Article 4 of this Agreement will survive the Closing Date for the duration of the applicable Representation Survival Period; except that the representations and warranties in Section 4.1 (Organization and Authority of the Company and Each Newly Granted Permittee to Conduct Business), Section 4.2 (Power and Authority; Binding Effect), Section 4.3 (Equity Information), Section 4.4 (Title) and Section 4.30 (No Brokers) (collectively, the "Seller Fundamental Representations") will survive the Closing Date indefinitely, and the representations and warranties made in Section 4.9 (Taxes) and Section 4.16 (Employee Benefit Plans) (collectively, the "Tax and ERISA Representations") and together with the Seller Fundamental Representations, the "Seller Excluded Representations") will survive the Closing Date until sixty (60) days following the expiration of all applicable statute of limitations (giving effect to any waiver, or extension thereof). Any claim made by Buyer for a breach of a representation or warranty by the Sellers or the Company contained in Article 4 of this Agreement must be delivered in writing by Buyer to Sellers' Representative prior to the applicable expiration date set forth in this Section 9.1(a)(i). Any claim made by Buyer based on fraud in the giving of such representations and warranties will survive indefinitely. All of the representations and warranties of the Sellers or the Company contained in this Agreement will in no respect be limited or diminished by any past or future inspection, investigation, examination or possession on the part of Buyer or its Representatives. All covenants and agreements made by the Sellers or the Company contained in this Agreement (including the obligation of the Sellers to convey the Company Interests to Buyer pursuant to Section 2.1, if required, the obligations of the Other Interest Holders to convey the Permittee Interests to the Company pursuant to Section 2.1, if required, and the indemnification obligations of the Sellers set forth in this Section 9.1) will survive the Closing Date until fully performed or discharged.

(ii) All representations and warranties of Buyer contained in Article 5 of this Agreement will survive the Closing Date for the duration of the applicable Representation Survival Period; except that the representations and warranties in Section 5.1 (Organization and Good Standing), Section 5.2 (Authority; Authorization; Binding Effect), and Section 5.6 (No Brokers) (collectively, the "Buyer Excluded Representations") will survive the Closing Date indefinitely. Any claim made by the Sellers for a breach of a representation or warranty by Buyer contained in Article 5 of this Agreement must be delivered in writing to Buyer prior to the above-referenced applicable expiration date. Any claim made by the Sellers based on fraud in the giving of such representations and warranties will survive indefinitely. All covenants and agreements made by Buyer contained in this Agreement (including the indemnification obligations of Buyer set forth in this Section 9.1) will survive the Closing Date until fully performed or discharged.

(iii) Any written claim for breach of representation and warranty delivered prior to the above-referenced applicable expiration date to the Party against whom such indemnification is sought will survive thereafter and, as to any such claim, such expiration, if any, will not affect the rights to indemnification under

(b) Indemnification by the Sellers.

(i) Each Seller hereby, severally and not jointly, agrees to defend, indemnify and hold harmless Buyer and its Affiliates, and the directors, officers and employees of Buyer and its Affiliates (collectively, the "Buyer Parties"), from, against and in respect of a percentage, equal to such Seller's applicable Seller Percentage of:

(A) any and all Losses suffered or incurred by a Buyer Party by reason of any breached or untrue representation or warranty of the Sellers or the Company contained in Article 4 of this Agreement (excluding the Seller Individual Representations);

(B) any and all Losses suffered or incurred by a Buyer Party by reason of the breach of any covenant or agreement by the Company contained in this Agreement prior to the consummation of Closing; and

(C) subject to Section 2.3, any and all Losses suffered or incurred by any of them attributable to (1) any liability, payment or obligation in respect of any Taxes owing by the Sellers, or the Company of any kind or description (including interest and penalties) for all Pre-Closing Tax Periods and the Pre-Closing Straddle Period, (2) any and all Taxes of any member of an affiliated, consolidated, combined, or unitary group of which the Company (or any of its respective predecessors) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation §1.1502-6 under the Code or any analogous or similar Law, for all Pre-Closing Tax Periods and the Pre-Closing Straddle Period, (3) any and all Taxes for all Pre-Closing Tax Periods and the Pre-Closing Straddle Period of any Person (other than the Company) imposed on the Company as a transferee or successor, by contract or pursuant to any Law which Taxes relate to an event or transaction occurring before the Closing, and (4) the obligations of the Sellers or the Company as set forth in Section 9.8 or breach thereof, except in the case of the Company, only to the extent such obligations or breach relate to the period prior to Closing.

(ii) Each Seller hereby, severally and not jointly, agrees to defend, indemnify and hold harmless the Buyer Parties from, against and in respect of:

(A) any and all Losses suffered or incurred by a Buyer Party by reason of any breach of any Seller Individual Representation of such Seller contained in this Agreement; or

(B) any and all Losses suffered or incurred by a Buyer Party by reason of the breach of or non-compliance with any covenant or agreement by such Seller contained in this Agreement.

For the avoidance of doubt, notwithstanding anything to the contrary herein, in no event shall any Seller be liable for (x) any breach of a Seller Individual Representation by any other Seller or (y) any breach of a covenant or agreement by any other Seller.

(c) Indemnification by Buyer. Buyer hereby agrees to indemnify and hold harmless the Sellers and their respective Affiliates, and the directors, managers, officers and employees of Sellers and their respective Affiliates (collectively, the "Seller Parties") from, against, and in respect of:

(i) any and all Losses suffered or incurred by a Seller Party by reason of any breach of a representation or warranty by Buyer contained in Article 5 of this Agreement; or

(ii) any and all Losses suffered or incurred by a Seller Party by reason of the breach of any covenant or agreement by Buyer contained in this Agreement.

(d) Limitations on Indemnifications.

(i) For purposes of this Section 9.1, the term "Threshold" means a dollar amount equal to Four Hundred Thousand Dollars (\$400,000).

(ii) With respect to any Losses related to a breach of representation and warranty of the Sellers or the Company, (A) the Sellers will have liability for such Losses only if the aggregate amount of all Losses suffered by the Buyer Parties exceeds the Threshold, in which case, subject to subclause (ii)(B) below, Sellers will indemnify the Buyer Parties for all such Losses, and (B) subject to the proviso at the end of this sentence: (x) the maximum aggregate liability of the Sellers to the Buyer Parties for Losses for which the Buyer Parties are entitled to indemnification under Section 9.1(b)(i)(A) (other than in respect of the Seller Excluded Representations and the representations set forth in Section 4.13(g) (but not any other subsection of Section 4.13)), shall be limited to an amount equal to Nine Million Dollars (\$9,000,000), or in respect of any other matter for which the Buyer Parties are entitled to indemnification under this Agreement (including, without limitation, the Seller Excluded Representations and the representations set forth in Section 4.13(g) (but not any other subsection of Section 4.13)), shall be limited to an amount equal to 100% of the Purchase Price; and (y) the maximum aggregate liability of any Seller to the Buyer Parties for Losses for which the Buyer Parties are entitled to indemnification under this Agreement shall be limited to an amount equal to the Purchase Price payable to such Seller; provided, however, that, notwithstanding the foregoing, with regard to misrepresentations or breaches resulting from willful breach of a covenant hereunder or fraud, the maximum aggregate liability of the Sellers to the Buyer Parties for Losses for which the Buyer Parties are entitled to indemnification under this Agreement shall not be limited.

(iii) With respect to any Losses related to a breach of representation and warranty of Buyer, (A) Buyer will have liability for such Losses only if the aggregate amount of all Losses exceeds the Threshold, in which case, subject to subclause (iii)(B) below, Buyer will indemnify the Seller Parties for all such Losses, and (B) subject to the proviso at the end of this sentence, the maximum aggregate liability of Buyer to the Seller Parties for such Losses shall be limited to an amount equal to the Purchase Price; provided, however, that notwithstanding the foregoing, with regard to misrepresentations or breaches resulting from willful breach of a covenant hereunder or fraud, the maximum liability of Buyer for Losses for which the Seller Parties are entitled to indemnification under this Agreement shall not be limited.

(e) Notification of Claims. In the event that any Party entitled to indemnification pursuant to this Agreement (the "Indemnified Party") proposes to

make any claim for such indemnification, the Indemnified Party will deliver to the indemnifying Party (the “Indemnifying Party”), which delivery with respect to the Losses arising from breaches of representations and warranties will be on or prior to the date upon which the applicable representations and warranties expire pursuant to Section 9.1(a) hereof, a signed certificate, which certificate will (i) state that Losses have been incurred or that a claim has been made for which Losses may be incurred, (ii) specify the sections of this Agreement under which such claim is made and (iii) specify in reasonable detail each individual item of Loss or other claim including the amount thereof and the date such Loss was incurred. In addition, each Indemnified Party will give notice to the Indemnifying Party promptly following its receipt of service of any suit or proceeding initiated by a third party which pertains to a matter for which indemnification may be sought (a “Third-Party Claim”); provided, however, that the failure to give such notice will not relieve the Indemnifying Party of its obligations hereunder if the Indemnifying Party has not been prejudiced thereby.

(f) Defense of Third-Party Claims and Extension of Statute of Limitations. Any Indemnified Party will in good faith cooperate and assist the Indemnifying Party in defending against any claims or asserted claims with respect to which the Indemnified Party seeks indemnification under this Agreement. If requested by the Indemnifying Party, the Indemnified Party will join in any action, litigation, arbitration or proceeding, provided that the Indemnified Party will pay its own costs caused by such joinder. The Indemnified Party will not settle or compromise any claim or asserted claim, nor agree to extend any statute of limitations applicable to any claim or asserted claim, which the Indemnified Party seeks indemnification under this Agreement, without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld. The Indemnified Party will provide the Indemnifying Party with all reasonably available information, assistance, and authority to enable the Indemnifying Party to assume control of the defense or settlement of the third-party claim.

(g) In the event of a claim for indemnification under this Agreement for which an Indemnified Party has provided notice of such claim to an Indemnifying Party under this Section 9.1 (but excluding any Third-Party Claim) and the Indemnifying Party receiving such notice disputes all or any part of such claim, then Buyer and the Sellers will first attempt to resolve such claim through direct negotiations in good faith. No settlement reached in such negotiations under this Section 9.1(g) will be binding until reduced to a writing signed by all of the applicable parties. If the dispute is not resolved within twenty (20) Business Days after the date of delivery of such claim, then such dispute will be resolved in accordance with Section 10.3. Nothing in this Section 9.1(g) will prevent any Party from seeking injunctive relief in accordance with this Agreement.

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(h) Other Indemnification Matters.

(i) All indemnification payments made pursuant to this Section 9.1 will be treated as an adjustment to the Purchase Price unless otherwise required by applicable Law.

(ii) The Indemnified Party will take all commercially reasonable steps to mitigate any Losses for which such Indemnified Party seeks indemnification hereunder.

(iii) Except (A) with respect to claims based upon fraud, (B) for remedies that cannot be waived as a matter of Law and (C) injunctive and provisional relief in accordance with the terms of this Agreement, if the Closing occurs, this Section 9.1 will be the sole and exclusive remedy for breach of, inaccuracy in, or failure to comply with, any representation, warranty, or covenant contained in this Agreement, or otherwise in respect of the transactions contemplated by this Agreement. Notwithstanding the foregoing or anything to the contrary set forth herein, from and after the date on which the RTO Condition and the Regulatory Approval Condition have been fulfilled, each Party will expressly have available the remedy of specific performance in the event that the other Party breaches any of the terms and provisions of this Agreement.

(iv) No Seller will have any liability for any Losses to the extent that an allowance, provision or reserve covering such Losses is included in the final calculation of the Closing Non-Cash Working Capital statement as determined pursuant to Section 2.5.

(v) All indemnification obligations pursuant to this Section 9.1 shall be limited to the Losses that remain after deducting therefrom (i) any net insurance proceeds or any indemnity, contribution or other similar payment received by the Indemnified Party and (ii) any actual reduction in cash payments for Taxes of the Indemnified Party in connection with the Loss. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements with respect to any Losses prior to seeking indemnification under this Agreement. For the avoidance of doubt, Buyer shall have the right to simultaneously file an insurance claim and make an indemnification claim pursuant to this Agreement.

9.2. Set-Off Against Promissory Notes and Execution Stock.

(a) After the final amount of any indemnification obligation of the Sellers to the Buyer Parties pursuant to Section 9.1 has been mutually agreed upon in writing by the Sellers’ Representative and Buyer or determined by the final, non-appealable order of a court of competent jurisdiction, the amount of such indemnification obligation shall be satisfied (i) first, pursuant to a set-off against any amount remaining due to the Sellers under the Promissory Notes, with the principal amount of each Seller’s Promissory Note being reduced by a percentage of the indemnification obligation equal to such Seller’s applicable Seller Percentage; (ii) after such set-off against the Promissory Notes has caused the remaining balance of the Promissory Notes, and all accrued interest thereon, to be fully depleted, pursuant to a set-off against the Execution Stock (allocated *pro rata* among the Sellers in accordance with their respective Seller Percentages) based upon a valuation for each share of Execution Stock equal to the thirty (30) day volume-weighted average price of the Execution Stock as of the trading day immediately preceding Buyer’s delivery of notice of set-off pursuant to this Section 9.2(a); and (iii) after such set-off against the Execution Stock has caused the value of the Execution Stock to be reduced to zero, by payments made by the Sellers, with each Seller responsible for its applicable Seller Percentage of any remaining indemnification obligation.

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(b) Notwithstanding anything to the contrary set forth herein, if, following the Closing, any of the Permits held by the Newly Granted Permittees are revoked, cancelled, rescinded or otherwise extinguished by the DOH or any other Governmental Authority and the DOH or such Governmental Authority specifies in writing that such revocation, cancellation, rescission or extinguishment is primarily due to an act or omission by FBS-CO, the Company or any Newly Granted Permittee, or a mis-scoring or re-scoring of any applicable permit application, that in either case occurred or arose from an event that occurred prior to the Closing Date (a “Permit Revocation Claim”), then Buyer’s sole remedy for such Permit Revocation Claim shall be the right to offset the Losses suffered in connection with such revocation, cancellation, rescission or extinguishment against the aggregate amount remaining outstanding under the Promissory Notes (allocated among the Sellers on a *pro rata* basis in accordance with their respective Seller Percentages); provided, however, that any such right of offset shall only survive for the period that the Promissory Notes remain outstanding and shall be capped at the lesser of (i) Nine Million Dollars (\$9,000,000) for the revocation of the Permit held by FBS Penn NE, Twelve Million Dollars (\$12,000,000) for the revocation of the Permit held by FBS Penn SW, and Fifteen Million Dollars (\$15,000,000) for the revocation of the Permit held by FBS SE; and (ii) the aggregate principal and interest amount then-outstanding under the Promissory Notes, unless previously offset by an unrelated indemnification obligation under this Agreement (in which case the cap shall be the amount that would have been outstanding but for such unrelated indemnification obligation under this Agreement). Without limiting the generality of the foregoing, it is expressly acknowledged and agreed that in the event the Permit held by FBS Penn NE is revoked, cancelled, rescinded or extinguished in connection with the real property lawful entitlement issue at FBS Penn NE’s Hazleton, PA location, such occurrence shall be a Permit Revocation Claim per se.

9.3. Use of Limited Liability Company Name. After the Closing, the Sellers will not use or refer to the names “Franklin BioScience – Penn LLC,” “Franklin BioScience – NE, LLC,” “Franklin BioScience – SE, LLC,” “Franklin BioScience – SW, LLC,” “Hello,” “Beyond” or “Beyond/Hello” inside or outside of the Restricted Territory, but shall continue to own and be entitled to use the name “Franklin BioScience” and any derivative or variation thereof other than “Franklin BioScience – Penn LLC,” “Franklin BioScience – NE, LLC,” “Franklin BioScience – SE, LLC,” or “Franklin BioScience – SW, LLC” inside or outside the Restricted Territory. Neither Buyer nor any of its Affiliates shall use the name “Franklin BioScience – Penn LLC,” “Franklin BioScience – NE, LLC,” “Franklin BioScience – SE, LLC,” or “Franklin BioScience – SW, LLC” outside the Restricted Territory, and shall not use any derivative or variation of the name “Franklin BioScience” other than “Franklin BioScience – Penn LLC,” “Franklin BioScience – NE, LLC,” “Franklin BioScience – SE, LLC” or “Franklin BioScience – SW, LLC” inside or outside of the Restricted Territory.

9.4. Confidentiality. The Sellers have had access to, and have gained knowledge with respect to, financial results of the Business and information concerning customers and suppliers of the Business (the “Confidential Information”). The Sellers acknowledge that unauthorized disclosure or misuse of the Confidential Information, whether before or after the Closing, will cause irreparable damage to the Company, the Newly Granted Permittees and Buyer subsequent to the Closing. The Parties also agree that covenants by the Sellers not to make unauthorized disclosures of the Confidential Information are essential to the growth and stability of the business of the Company, the Newly Granted Permittees and Buyer. Accordingly, the Sellers agree that, beginning on the Closing Date and continuing until the three (3) year anniversary of the Closing Date, they will not use or disclose any Confidential Information obtained in the course of their past connection with the Business, except in the performance of any duties under any employment agreement, consulting agreement or any other transaction documents in connection with the Transaction entered into with the Company, any Newly Granted Permittee, Buyer, or any of their respective Affiliates, if any, and in accordance with that Person’s policies regarding Confidential Information. Notwithstanding the foregoing, each Seller may disclose the Confidential Information (a) to such Seller’s Affiliates and Representatives, so long as the receiving party is advised of the confidentiality provisions of this Section 9.4 or subject to obligations of confidentiality in favor of such Seller with respect to information of the type constituted by the Confidential Information so disclosed to such receiving party, (b) to the extent required by Law or legal process or any Governmental Authority, or in connection with the defense or enforcement of such Seller’s rights and obligations under this Agreement or another agreement with the Company, a Newly Granted Permittee, Buyer or any of their respective Affiliates, or (c) to the extent such Confidential Information becomes publicly available through no breach of this Agreement or other fault of such Seller. If any Seller is requested or required by Law or legal process to disclose any Confidential Information, such Person will notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective order at its sole expense or waive compliance with the provisions of this Section 9.4. If in the absence of a protective order or the receipt of a waiver hereunder, such Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any Governmental Authority or else stand liable for contempt, such Person may disclose such Confidential Information to such Governmental Authority; provided, however, that the disclosing Seller will use commercially reasonable efforts to obtain, at the request and sole expense of Buyer, an Order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer may designate.

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9.5. Non-Competition. Except as set forth on Schedule 9.5 of the Company Disclosure Schedules, each of Franklin Group and FBS-CO agrees that, beginning on the Closing Date and continuing until the three (3) year anniversary of the Closing Date, it will not, directly or indirectly, for its own account or as agent, employee, officer, director, trustee, consultant, member, partner, stockholder or equity owner of any corporation, limited liability company, or any other entity (except that it may own securities constituting (i) any amount of securities of Buyer, its successors or any of their respective Affiliates or (ii) less than five percent (5%) of any class of securities of any other public company), or member of any firm or otherwise, engage or attempt to engage in the Business in the Restricted Territory; provided, however, that notwithstanding anything herein to the contrary, neither Franklin Group nor FBS-CO shall be restricted from directly or indirectly owning, managing and operating a business in the Restricted Territory pursuant to a clinical registrant license issued by the DOH.

9.6. Non-Solicitation. Each Seller agrees that, beginning on the Closing Date and continuing until the three (3) year anniversary of the Closing Date, such Seller will not, directly or indirectly, for such Seller’s own account or as agent, employee, officer, director, trustee, consultant, member, partner, stockholder or equity owner of any corporation, limited liability company, or any other entity (a) employ or solicit the employment of any person who was employed by the Company or any Newly Granted Permittee at the Closing Date or at any time during the six (6) month period preceding the Closing Date, (b) solicit business in competition with the Business from any Person who during the six-month period preceding the Closing Date will have been a customer of the Company or any Newly Granted Permittee (c) willfully dissuade or discourage any person or entity from using, employing or conducting business with the Company or any Newly Granted Permittee or (d) intentionally disrupt or interfere with, or seek to disrupt or interfere with, the business or contractual relationship between the Company or any Newly Granted Permittee and any supplier, who during the six-month period preceding the Closing Date will have supplied products or services to the Company or any Newly Granted Permittee; provided, that the restrictions in this Section 9.6 will not restrict (i) the ability of any Seller or its Affiliate to solicit generally in public advertisements not specifically directed to employees, customers, or suppliers of the Company or the Newly Granted Permittees; or (ii) any Seller or its Affiliates from providing services or products to any customer or former customer of the Company or any Newly Granted Permittee who independently seeks products or services without any prior solicitation (except as permitted in the foregoing clause (i)) by such Seller or its Affiliates.

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9.7. Equitable Remedies/Reasonableness of Limitations. The Sellers acknowledge that (a) a remedy at law for failure to comply with the covenants contained in Sections 9.4 - 9.6 may be inadequate and (b) Buyer will be entitled to seek and obtain from a court having jurisdiction, in its sole discretion, specific performance, an injunction, a restraining order or any other equitable relief in order to enforce any such provision without the need to post a bond (or if a bond is required by Law, a bond in the amount of \$100 will be sufficient). The right to obtain such equitable relief will be in addition to any other remedy to which Buyer is entitled under applicable Law (including, but not limited to, monetary damages). Each Seller acknowledges that it has had an opportunity to consult with counsel regarding this Agreement, has fully and completely reviewed this Agreement with such counsel and fully understands the contents hereof. The Sellers agree that the territorial, time and other limitations contained in this Agreement are reasonable and properly required for the adequate protection of the business and affairs of Buyer, and in the event that any one or more of such territorial, time or other limitations is found to be unreasonable by a court of competent jurisdiction, the Sellers agree to submit to the reduction of said territorial, time or other limitations to such an area, period or otherwise as the court may determine to be reasonable. In the event that any limitation under this Agreement is found to be unreasonable or otherwise invalid in any jurisdiction, in whole or in part, the Sellers acknowledge and agree that such limitation will remain and be valid in all other jurisdictions.

9.8. Tax Matters.

(a) The Sellers will prepare or cause to be prepared and will file or cause to be filed all Tax Returns for the Company and each Newly Granted Permittee for all Tax periods ending on or prior to the Closing Date (the “Pre-Closing Tax Periods”). Each Tax Return referred to in this Section 9.8(a) will be prepared in a manner consistent with past practices of the Company or the applicable Newly Granted Permittee and without a change of any election, accounting method or convention (in each case except as otherwise required by applicable Law). The Sellers will provide or cause to be provided such Tax Returns to Buyer, no later than 30 days prior to the due date for such Tax Returns (including any applicable extensions) for Buyer’s review and comment, and Sellers’s Representative shall consider in good faith all comments provided by Buyer in connection with the filing of such Tax Returns. Buyer will cooperate with Sellers’ Representative in connection with the filing of such Tax Returns including making available a post-Closing officer of the Company or the applicable Newly Granted Permittee to execute such approved (which approval shall not be unreasonably withheld, conditioned or delayed) returns on behalf of the Company or such Newly Granted Permittee.

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(b) Buyer will prepare or cause to be prepared and will file or cause to be filed all Tax Returns of the Company and each Newly Granted Permittee that are required to be filed after the Closing Date with respect to any Straddle Period. Each Tax Return referred to in this Section 9.8(b) will be prepared in a manner consistent with past practices of the Company or the applicable Newly Granted Permittee and without a change of any election, accounting method or convention (in each case except as otherwise required by applicable Law). At least thirty (30) days prior to the date on which each such Tax Return is due (with applicable extensions), Buyer will submit such Tax Return to Sellers' Representative for review, and comment, and approval (not to be unreasonably withheld, conditioned or delayed). Sellers' Representative will provide any written comments to Buyer no later than fifteen (15) days after receiving any such Tax Return and, if Sellers' Representative does not provide any written comments within fifteen (15) days, the Sellers will be deemed to have accepted such Tax Return. The Parties will attempt in good faith to resolve any dispute with respect to any such Tax Return. If the Parties are unable to resolve any such dispute at least 5 days before the due date (with applicable extensions) for any such Tax Return, Buyer and Sellers' Representative will jointly engage an Accounting Firm to resolve such dispute (selected as provided for in Section 2.4(c)). Buyer and the Sellers will share equally the fees and expenses of the Accounting Firm. If the Accounting Firm is unable to resolve any such dispute prior to the due date (with applicable extensions) for any such Tax Return, such Tax Return will be filed as prepared by Buyer subject to amendment, if necessary, to reflect the resolution of the dispute by the Accounting Firm.

(c) For purposes of this Section 9.8, the portion of Tax with respect to the income, property or operations of the Company or a Newly Granted Permittee that is attributable to any Tax period that begins on or before the Closing Date and ends on or after the Closing Date (a "Straddle Period") will be apportioned between the period of the Straddle Period that extends before the Closing Date through the Closing Date (the "Pre-Closing Straddle Period") and the period of the Straddle Period that extends from the day after the Closing Date to the end of the Straddle Period (the "Post-Closing Straddle Period") in accordance with this Section 9.8(c). The portion of such Tax attributable to the Pre-Closing Straddle Period will (i) in the case of any Taxes other than sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Straddle Period and the denominator of which is the number of days in the Straddle Period, and (ii) in the case of any sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period, be deemed equal to the amount that would be payable if the Straddle Period ended on and included the Closing Date. The portion of a Tax attributable to a Post-Closing Straddle Period will be calculated in a corresponding manner. After the Closing, Buyer, the Company, and the Newly Granted Permittees shall not take any actions on the Closing Date that are not in the ordinary course of business.

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(d) Except to the extent reflected in Final Closing Non-Cash Working Capital, the Sellers will be liable for all Taxes owed with respect to any Tax Return for any Pre-Closing Tax Period and, in the case of a Tax Return for a Straddle Period, all Taxes attributable to the Pre-Closing Straddle Period. The Sellers shall pay to Buyer within fifteen (15) days after the date on which the Sellers receive written notice that Taxes are paid with respect to such periods in an amount equal to the portion of such Taxes which relates to the portion of such Pre-Closing Tax Period or Pre-Closing Straddle Period, as the case may be.

(e) To the extent permitted by applicable Law, any Tax deductions with respect to any selling expenses, transaction costs or similar expenses (including, without limitation, the Seller Transaction Expenses) will be allocated to the Pre-Closing Tax Period or the Pre-Closing Straddle Period.

(f) Buyer, the Sellers and the Company will cooperate fully, as and to the extent reasonably requested by the other Parties, in connection with the filing of Tax Returns pursuant to this Section 9.8 and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation will include (upon another Party's request) the provision of records and information that are available and reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Sellers, the Company and Buyer agree to, and agree to cause the Company to retain all books and records with respect to Tax matters pertinent to the Company and Newly Granted Permittees relating to any Tax period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or Sellers' Representative, any extensions thereof) of the respective Tax periods. Buyer and the Sellers further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce, or eliminate any Tax that could be imposed (including, but not limited to, with respect to the Transaction).

(g) Notwithstanding Section 9.1, this Section 9.8(g) will control any inquiries, assessments, proceedings or similar events with respect to Taxes. Buyer will promptly notify Sellers' Representative: (i) upon receipt by Buyer or any Affiliate of Buyer of any notice of any audit or examination of any Tax Return of the Company or any Newly Granted Permittee relating to any Pre-Closing Tax Period or Straddle Period and any other proposed change or adjustment, claim, dispute, arbitration or litigation related to Taxes from any Tax authority relating to any Pre-Closing Tax Period or Straddle Period (a "Tax Matter"); or (ii) prior to Buyer or the Company or any Newly Granted Permittee initiating any Tax Matter with any Tax authority relating to any Pre-Closing Tax Period or Straddle Period (any such initiation shall be subject to Sellers' Representative's approval, not to be unreasonably withheld, conditioned or delayed). Sellers' Representative may, at the Sellers' expense, participate in and, upon written notice to Buyer, assume the defense of any such Tax Matter; provided that the failure of Buyer to provide notices as required under this Section 9.8(g) will not negate Buyer's right to indemnification under this Section 9.8 and Section 9.1 with respect to Tax liabilities resulting from such Tax Matter except to the extent that Sellers are prejudiced as a result of such failure. If Sellers' Representative assumes such defense, then Sellers' Representative will have the authority, with respect to any Tax Matter, to represent the interests of the Company or the applicable Newly Granted Permittee before the relevant Tax authority and Sellers' Representative will have the right to control the defense, compromise or other resolution of any such Tax Matter, subject to the limitations contained herein, including responding to inquiries, and contesting, defending against and resolving any assessment for additional Taxes or notice of Tax deficiency or other adjustment of Taxes of, or relating to, such Tax Matter. If Sellers' Representative has assumed such defense, then Sellers' Representative will be entitled to defend and settle such Tax Matter; provided, however, that Sellers' Representative will not enter into any settlement of or otherwise resolve any such Tax Matter to the extent that it adversely affects the Tax liability of Buyer, the Company, any Newly Granted Permittee or any Affiliate of the foregoing for a post-Closing Tax period without the prior written consent of Buyer, which consent will not be unreasonably withheld, conditioned or delayed. Sellers' Representative will keep Buyer informed with respect to the commencement, status and nature of any such Tax Matter and will, in good faith, allow Buyer to consult with Sellers' Representative regarding the conduct of or positions taken in any such proceeding. The Buyer shall have the right (but not the duty) to participate in the defense of such Tax Matter and to employ counsel, solely at its own expense, separate from the counsel employed by Sellers' Representative. Except as otherwise provided in this Section 9.8(g), Buyer shall have the right, at its own expense, to exercise control at any time over any Tax Matter regarding any Tax Return of the Company or any Newly Granted Permittee (including the right to settle or otherwise terminate any contest with respect thereto).

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(h) Except to the extent included in Final Closing Non-Cash Working Capital, any refunds for Taxes (including any interest in respect thereof actually received from a Taxing Authority), net of reasonable expenses and net of any income Taxes of Buyer, the Company, any Newly Granted Permittee or any of their respective Affiliates attributable to such refund, actually received by Buyer or the Company or any Newly Granted Permittee, and any amounts credited against Taxes to which Buyer, the Company, any Newly Granted Permittee or any of their respective Affiliates become entitled and that reduce or could reduce the Taxes otherwise payable by Buyer, the Company, any Newly Granted Permittee or any of their respective Affiliates (including by way of any amended tax return), related to, or resulting or arising, directly or indirectly from Taxes of the Company or any Newly Granted Permittee for any Pre-Closing Tax Period or Pre-Closing Straddle Period shall be property of the Sellers (excluding any refund or credit attributable to any loss in a tax year (or portion of a Straddle Period) beginning after the Closing Date applied (e.g., as a carryback) to income in

a tax year (or portion of a Straddle Period) ending on or before the Closing Date).

(i) Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 9.8 will survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus 30 days and, except to the extent specifically set forth in Section 9.8(g) above, will be subject to the provisions of Sections 9.1 and 9.2 as if an indemnification obligation pursuant to this Section 9.8 is an indemnification obligation pursuant to Section 9.1.

9.9. DOH Filings. Following the Closing, Buyer shall cause the Company to take all steps necessary to update its records with the DOH to reflect each of the approved Application Parties as affiliated persons of the Company and each of the Newly Granted Permittees, and removal of all other affiliated persons of the Company and the Newly Granted Permittees other than any existing officer or employee that Buyer has agreed to retain following the Closing.

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ARTICLE 10 **MISCELLANEOUS**

10.1. Further Assurances. Following the Closing Date, each Party will cooperate in good faith with each other Party and will take all commercially reasonable actions which may be reasonably necessary or advisable to carry out and consummate the Transaction.

10.2. Notices. Unless otherwise provided in this Agreement, any agreement, notice, request, instruction or other communication to be given hereunder by any Party to the other will be in writing and (a) delivered personally (such delivered notice to be effective on the date it is delivered), (b) deposited with a reputable overnight courier service for next Business Day delivery (such couriered notice to be effective one (1) Business Day after the date it is sent by courier), (c) sent by facsimile transmission (such facsimile notice to be effective on the date that confirmation of such facsimile transmission is received), with a confirmation sent by way of one of the above methods, or (d) sent by e-mail (with electronic confirmation of delivery or receipt), as follows:

If to the Sellers or the Company, addressed to:

[Name of Applicable Party]
c/o Franklin BioScience, LLC
Attn: [***]
25 S Clermont Street
Denver, CO 80246

With a copy to:

Stradley Ronon Stevens & Young, LLP
2600 One Commerce Square
Philadelphia, PA 19103
Attn: [***]
Telephone: [***]
Facsimile: [***]
E-mail: [***]

If to Buyer, addressed to:

Jushi Inc
Attn: Legal Department
1800 NW Corporate Blvd
Suite 200
Boca Raton, FL 33431
Email: [***]

With a copy to:

Fox Rothschild LLP
Attn: William Bogot, Esq.
353 N. Clark St., Suite 3650
Chicago, IL 60654
Email:[***]

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Any Party may designate in a writing to any other Party any other address or facsimile number to which, and any other Person to whom or which, a copy of any such notice, request, instruction or other communication should be sent.

10.3. Governing Law; Dispute Resolution.

(a) Governing Law. All issues and questions concerning the application, construction, validity, interpretation, and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania, without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Pennsylvania or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Pennsylvania.

(b) Jurisdiction Venue. The parties hereby agree that any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort, or otherwise, shall be brought exclusively in the state courts of the Commonwealth of Pennsylvania located in the City of Philadelphia. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court or that any such suit, action, or proceeding which is brought in any such court has been

brought in an inconvenient forum.

(c) Waiver of Jury Trial. EACH OF THE PARTIES WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

10.4. Expenses. Except to the extent reflected in the Non-Cash Working Capital and as expressly provided otherwise in this Agreement, (a) the Sellers will pay all legal, accounting and other expenses of (i) the Sellers related to this Agreement and (ii) the Company related to this Agreement that are incurred prior to the Closing Date, and (b) Buyer will pay all legal, accounting and other expenses of (i) Buyer related to this Agreement and (ii) the Company related to this Agreement that are first incurred on or after the Closing Date.

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10.5. Titles. The headings of the articles and sections of this Agreement are inserted for convenience of reference only, and will not affect the meaning or interpretation of this Agreement.

10.6. Waiver. No failure of any Party to require, and no delay by any Party in requiring, any other Party to comply with any provision of this Agreement will constitute a waiver of the right to require such compliance. No failure of any Party to exercise, and no delay by any Party in exercising, any right or remedy under this Agreement will constitute a waiver of such right or remedy. No waiver by any Party of any right or remedy under this Agreement will be effective unless made in writing. Any waiver by any Party of any right or remedy under this Agreement will be limited to the specific instance and will not constitute a waiver of such right or remedy in the future.

10.7. Effective; Binding. This Agreement will be effective upon the due execution hereof by each Party. Upon becoming effective, this Agreement will be binding upon each Party and upon each successor and assignee of each Party and will inure to the benefit of, and be enforceable by, each Party and each successor and assignee of each Party; provided, however, that, except as provided for in the immediately following sentence, no Party may assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of the other Parties. Buyer may assign all or a portion of its rights and obligations under this Agreement to one or more Affiliates of Buyer upon prior written notice to the Sellers, provided that Buyer will remain liable hereunder notwithstanding any such assignment.

10.8. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued, accepted or acquiesced in, and each written or oral agreement and representation previously made, by the Parties with respect to the subject matter of this Agreement.

10.9. Modification. No course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation made in the future, by any Party, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, will modify or terminate this Agreement, impair or otherwise affect any obligation of any Party pursuant to this Agreement or otherwise operate as a waiver of any such right or remedy. No modification of this Agreement or waiver of any such right or remedy will be effective unless made in writing duly executed by the Parties.

10.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. Any Party may execute this Agreement by facsimile (or other means of electronic transmission, such as by electronic mail in “.pdf” form) signature and the other Party will be entitled to rely on such facsimile (or other means of electronic transmission) signature as evidence that this Agreement has been duly executed by such Party. Any Party executing this Agreement by facsimile (or other means of electronic transmission) signature will immediately forward to the other Party an original signature page by overnight mail.

10.11. Time is of the Essence. It is understood by each of the Parties that time is of the essence hereof in connection with all obligations of under this Agreement.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the day and year indicated at the beginning of this Agreement.

COMPANY:

FRANKLIN BIOSCIENCE – PENN LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY

By: /s/ Robert Pease

Name: Robert Pease

Title: Chief Financial Officer

SELLERS' REPRESENTATIVE:

FRANKLIN BIOSCIENCE, LLC, A COLORADO LIMITED LIABILITY COMPANY, in its capacity as Sellers' Representative

By: /s/ Cyrus Farudi

Name: Cyrus Farudi

Title: Chief Executive Officer

BUYER:

JUSHI INC, A DELAWARE CORPORATION

By: /s/ Jon Barack

Name: Jon Barack

Title: EVP

SELLERS:

(See counterpart pages that follow)

[Signature Pages to Jushi and FBS-Penn Equity Purchase Agreement]

FRANKLIN BIOSCIENCE, LLC, A COLORADO LIMITED LIABILITY COMPANY

By: /s/ Cyrus Farudi

Name: Cyrus Farudi

Title: Chief Executive Officer

FRANKLIN GROUP, LLC, A COLORADO LIMITED LIABILITY COMPANY

By: /s/ Robert Pease

Name: Robert Pease

Title: CEO

[Signature Pages to Jushi and FBS-Penn Equity Purchase Agreement]

HAZZOURI & ASSOCIATES, LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY

By: /s/ Edward Hazzouri

Name: Edward Hazzouri

Title: President

/s/ Alex Hazzouri

Alex Hazzouri

/s/ Edward Hazzouri

Edward Hazzouri

[Signature Pages to Jushi and FBS-Penn Equity Purchase Agreement]

/s/ Ray Angeli

Ray Angeli

[Signature Pages to Jushi and FBS-Penn Equity Purchase Agreement]

/s/ Matt Varga

Matt Varga

[OTHER SELLERS TO BE ADDED ON SUBSEQUENT PAGES]

[Signature Pages to Jushi and FBS-Penn Equity Purchase Agreement]

EXHIBIT A-1
FORM OF PROMISSORY NOTE

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT A-2
FORM OF PLEDGE AGREEMENT

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT B
SELLER PERCENTAGES; CASH CONSIDERATION AMOUNTS;
BUYER STOCK AMOUNTS

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT C
NON-CASH WORKING CAPITAL CALCULATION

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT D
LINE OF CREDIT

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

LEASE

DATED

April 6, 2018

by and between

IIP-PA 1 LLC,
a Delaware limited liability company

and

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

LEASE AGREEMENT

This Lease Agreement (this "**Lease**"), dated April 6, 2018 (the "**Execution Date**"), is made between IIP-PA 1 LLC, a Delaware limited liability company ("**Landlord**"), and PENNSYLVANIA MEDICAL SOLUTIONS, LLC, a Pennsylvania limited liability company ("**Tenant**").

RECITALS

A. WHEREAS, concurrent with the execution of this Lease, Landlord closed on the purchase of certain real property (the "**Property**") and the improvements on the Property located at 2000 Rosanna Avenue, Scranton, Pennsylvania, including the building located thereon (the "**Building**" and, together with the Property, the "**Project**"), pursuant to that certain Purchase and Sale Agreement, dated March 21, 2018 (the "**Purchase Agreement**"), by and between Landlord and Tenant; and

B. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, the Premises (as defined below), pursuant to the terms and conditions of this Lease, as detailed below; and

C. WHEREAS, each of Vireo Health, Inc., a Delaware corporation, Minnesota Medical Solutions, LLC, a Minnesota limited liability company, and Vireo Health of New York, LLC, a New York limited liability company (each a "**Guarantor**"), is an affiliate of Tenant that is deriving a benefit from Landlord and Tenant entering into this Lease, and has agreed to enter into a guaranty in the form attached as Exhibit E hereto (the "**Guaranty**"), without which Landlord would not agree to enter into this Lease.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises described on Exhibit A attached hereto, including shafts, cable runs, mechanical spaces, rooftop areas, landscaping, parking facilities, private drives and other improvements and appurtenances related thereto (including the Building), for use by Tenant in accordance with the Permitted Use (as defined below) and no other uses (collectively, the "**Premises**"). For the avoidance of doubt, Landlord acquires no rights under this Lease to any of Tenant's or its Affiliates' personal property (as set forth on Exhibit B) that it uses in connection with the Permitted Use or any of its or its Affiliates' inventory which includes, but is not limited to, any of the following: cannabis plants, derivatives of such plants including goods in process or finished goods extracted from such plants; extractors and related equipment and lab equipment.

2. Basic Lease Provisions. For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1. The monthly Base Rent for the first twelve (12) months of the Term of the Lease shall be equal to One Hundred Seven Thousand Five Hundred Dollars (\$107,500), subject to subsequent adjustment under this Lease.

2.2. Security Deposit: Six Hundred Forty-Five Thousand Dollars (\$645,000), subject to adjustment as set forth herein.

2.3. "**Permitted Use**": Agricultural growth and processing of agricultural materials, including cannabis, industrial and office space, in accordance with current zoning for the Premises and in conformity with all Applicable Laws (as defined below). The Permitted Use shall include the cultivation and processing of cannabis plant parts and resins into products, and the storage of same for transport, and such other related use or uses permitted under Applicable Laws.

2.4. Address for Rent Payment: IIP-PA 1 LLC

***]

2.5. Address for Notices to Landlord:

IIP-PA 1 LLC
11440 West Bernardo Court, Suite 220
San Diego, California 92127

2.6. Address for Notices and Invoices to Tenant:

Pennsylvania Medical Solutions, LLC
207 S 9th Street
Minneapolis, MN. 55402
Attn: Chief Financial Officer
Cc: General Counsel

2.7. The following Exhibits are attached hereto and incorporated herein by reference:

Exhibit A	Premises
Exhibit B	Tenant's Personal Property
Exhibit C	Form of Estoppel Certificate
Exhibit D	Form of Guaranty
Exhibit E	Work Letter
Exhibit E-1	Tenant Work Insurance Requirements

3. Term and Extension Options.

3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the **Term**) shall commence on April 6, 2018 (the "**Commencement Date**") and end on April 6, 2033, subject to extension or earlier termination of this Lease as provided herein.

3.2. Options to Extend Term. Tenant shall have two (2) options (each an "**Extension Option**") to extend the Term of this Lease for a period of five (5) years each (each an "**Extension Period**"), on the same terms and conditions in effect under this Lease immediately prior to the commencement of the Extension Period, except that (a) Tenant shall have no further right to extend the Term of this Lease after the second Extension Period, (b) the Base Rent payable during the Extension Period shall be an amount equal to Base Rent in effect immediately prior to the Extension Period, increased by three and one-half percent (3.5%) on an annual basis.

3.2.1. If Tenant exercises an Extension Option, such Extension Option shall apply to the entire Premises (and no less than the entire Premises). Tenant may exercise an Extension Option only by giving Landlord irrevocable and unconditional written notice thereof (the "**Extension Notice**") not later than twenty-four (24) months prior to the commencement date of the Extension Period. Upon delivery of the Extension Notice, Tenant shall be irrevocably bound to lease the Premises for the Extension Period.

3.2.2. Notwithstanding the foregoing, Tenant shall not have the right to exercise an Extension Option (i) during the time commencing from the date Landlord delivers to Tenant a written notice that Tenant is in default under any provisions of this Lease and continuing until Tenant has cured the specified default to Landlord's reasonable satisfaction; (ii) at any time after any Default and continuing until Tenant cures any such Default, if such Default is susceptible to being cured; or (iii) in the event that Tenant has defaulted in the performance of its obligations under this Lease two (2) or more times during the six (6)-month period immediately prior to the date that Tenant intends to exercise an Extension Option, whether or not Tenant has cured such defaults.

¹ Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

3.2.3. If Tenant shall fail to timely exercise the Extension Option in accordance with the provisions of this Section 3.2, then the Extension Option shall terminate, and shall be null and void and of no further force and effect. If this Lease or Tenant's right to possession of the Premises shall terminate in any manner whatsoever before Tenant shall exercise the Extension Option, or if Tenant shall have assigned or transferred any interest in this Lease or sublet any part of the Premises (other than in the case of a Permitted Transfer as set forth in Section 16.8 below, then immediately upon such termination, assignment, transfer or sublease, the Extension Option shall simultaneously terminate and become null and void. Time is of the essence with regard to this Section 3.2.

3.2.4. The Extension Options are conditioned upon each Guarantor executing an amendment to such Guarantor's Guaranty that explicitly extends such Guarantor's obligations so that each Guarantor guarantees Tenant's Lease obligations incurred pursuant to Tenant's timely and proper exercise of an Extension Option.

4. Possession.

4.1. Possession. Tenant hereby acknowledges that immediately prior to the Commencement Date, Tenant was in possession of the Premises, and is familiar with the condition thereof and accepts the Premises in its "as is" condition with all faults, and Landlord makes no representation or warranty of any kind with respect the Premises, and Landlord will have no obligation to improve, alter or repair the Premises. It is understood and agreed that Landlord is not obligated to install any equipment, or make any repairs, improvements or alterations to the Premises. Tenant's continued occupancy and possession of the Premises following the Closing (as defined in the Purchase Agreement) shall conclusively establish that the Premises, the Building and the Project were at such time in good, sanitary and satisfactory condition and repair.

4.2. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LANDLORD IS LEASING THE PREMISES "AS IS" AND "WHERE IS," AND WITH ALL FAULTS, AND THAT LANDLORD IS MAKING NO REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, WITH RESPECT TO THE QUALITY OR PHYSICAL CONDITION OF THE PREMISES, THE INCOME OR EXPENSES FROM OR OF THE PREMISES, OR THE COMPLIANCE OF THE PREMISES WITH APPLICABLE BUILDING OR FIRE CODES, ENVIRONMENTAL LAWS OR OTHER LAWS, RULES, ORDERS OR REGULATIONS. WITHOUT LIMITING THE FOREGOING, IT IS UNDERSTOOD AND AGREED THAT LANDLORD MAKES NO WARRANTY WITH RESPECT TO THE HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TENANT AGREES THAT IT ASSUMES FULL RESPONSIBILITY FOR, AND THAT IT HAS PERFORMED EXAMINATIONS AND INVESTIGATIONS OF THE PREMISES, INCLUDING SPECIFICALLY, WITHOUT LIMITATION, EXAMINATIONS AND INVESTIGATIONS FOR THE PRESENCE OF ASBESTOS, PCBs AND OTHER HAZARDOUS SUBSTANCES, MATERIALS AND WASTES (AS THOSE TERMS MAY BE DEFINED HEREIN OR BY APPLICABLE FEDERAL OR STATE LAWS, RULES OR REGULATIONS) ON OR IN THE PREMISES. WITHOUT LIMITING THE FOREGOING, TENANT IRREVOCABLY WAIVES ALL CLAIMS AGAINST LANDLORD WITH RESPECT TO ANY ENVIRONMENTAL CONDITION, INCLUDING CONTRIBUTION AND INDEMNITY CLAIMS, WHETHER STATUTORY OR OTHERWISE. TENANT ASSUMES FULL RESPONSIBILITY FOR ALL COSTS AND EXPENSES REQUIRED TO CAUSE THE PREMISES TO COMPLY WITH ALL APPLICABLE BUILDING AND FIRE CODES, MUNICIPAL ORDINANCES, ENVIRONMENTAL LAWS AND OTHER LAWS, RULES, ORDERS, AND REGULATIONS. THE ABOVE WAIVER EXCLUDES ANY CLAIMS MADE BY TENANT BY REASON OF ANY GROSSLY NEGLIGENT OR WILLFUL ACT OR OMISSION BY LANDLORD.

4.3. Holding Over.

4.3.1. If, with Landlord's prior written consent, Tenant holds possession of all or any part of the Premises after the Term, Tenant shall become a tenant from month-to-month after the expiration or earlier termination of the Term, and in such case Tenant shall continue to pay (a) Base Rent, as adjusted in accordance with Section 6, (b) Additional Rent, and (c) any amounts for which Tenant would otherwise be liable under this Lease if the Lease were still in effect. Any such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

4.3.2. If Tenant retains possession of any portion of the Premises after the Term without Landlord's prior written consent, then (a) Tenant shall be a tenant at sufferance subject to the terms and conditions of this Lease, except that the monthly rent shall be equal to one hundred fifty percent (150%) of the monthly Rent in effect during the last thirty (30) days of the Term, and (b) to the extent such holdover continues for a period of thirty (30) days beyond the end of the Term, Tenant shall be liable to Landlord for any and all damages suffered by Landlord directly as a result of such holdover, including any lost rent.

4.3.3. Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease. The foregoing provisions of this Section 4 are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws. The provisions of this Section 4 shall survive the expiration or earlier termination of this Lease.

5. Tenant Improvements.

5.1. Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Two Million Eight Hundred Thirty-Six Thousand Six Hundred Seventy Dollars (\$2,836,670.00) (the "**TI Allowance**"). The TI Allowance may be applied to the costs of (a) construction, (b) project review by Landlord (which fee shall equal one and one-half percent (1.5%) of the cost of the Tenant Improvements, including the TI Allowance), (c) commissioning of mechanical, electrical and plumbing systems by a licensed, qualified commissioning agent hired by Tenant, and review of such party's commissioning report by a licensed, qualified commissioning agent hired by Landlord, (d) space planning, architect, engineering and other related services performed by third parties unaffiliated with Tenant, (e) building permits and other taxes, fees, charges and levies by governmental authorities for permits or for inspections of the Tenant Improvements, and (f) costs and expenses for labor, material, equipment and fixtures. In no event shall the TI Allowance be used for (m) the cost of work that is not authorized by the Approved Plans (as defined in the Work Letter) or otherwise approved in writing by Landlord, (n) payments to Tenant or any affiliates of Tenant, (o) the purchase of any furniture, personal property or other non-building system equipment, (p) costs resulting from any default by Tenant of its obligations under this Lease or (q) costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors).

5.2. Tenant shall have until April 6, 2031 to request disbursement for the final installment of the TI Allowance, and may request no more than five (5) disbursements of the TI Allowance, with each disbursement (other than the final disbursement) being no less than Two Hundred Thousand Dollars (\$200,000.00). Landlord's obligation to disburse any of the TI Allowance shall be conditional upon Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter. In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease.

6. Rent.

6.1. Rent. Base Rent and Additional Rent (as defined below) shall together be denominated "**Rent**." Rent shall be paid by ACH, wire transfer or check (but in no event may Rent be payable in cash) to Landlord, without abatement, deduction or offset, in lawful money of the United States of America to the address set forth in Section 2 or to such other person or at such other place as Landlord may from time to time designate in writing. In the event the Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Rent for such fraction of a month shall be prorated for such period on the basis of the number of days in the month and shall be paid at the then-current rate for such fractional month.

6.2. Base Rent. Tenant shall pay to Landlord as Base Rent for the Premises, commencing on the Commencement Date, the sums set forth in Section 2, subject to the rental adjustments provided in Section 6.5. Base Rent shall be paid in equal monthly installments, subject to the rental adjustments provided in Section 6.5, each in advance on, or before, the first day of each and every calendar month during the Term.

6.3. Additional Rent. In addition to Base Rent, Tenant shall pay to Landlord as additional rent ("**Additional Rent**") at times hereinafter specified in this Lease (a) amounts related to Operating Expenses and Taxes (each as defined below), unless paid directly by Tenant to third parties to whom such amounts are owed, (b) the Property Management Fee (as defined below) and (c) any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord (whether or not such amounts are referred to herein as "Additional Rent"), including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant.

6.3.1. Operating Expenses. Tenant will pay directly all Operating Expenses of the Premises in a timely manner and prior to delinquency, unless otherwise specified herein that Landlord shall pay directly such Operating Expenses and receive reimbursement from Tenant. In the event that Tenant fails to pay any Operating Expense within ten (10) days after written notice by Landlord to Tenant, and without being under any obligation to do so and without hereby waiving any default by Tenant, Landlord may pay any delinquent Operating Expenses. Any Operating Expense paid by Landlord and any expenses reasonably incurred by Landlord in connection with the payment of the delinquent Operating Expense may be billed immediately to Tenant, or at Landlord's option and upon written notice to Tenant, may be deducted from the Security Deposit. "**Operating Expenses**" means all costs and expenses incurred by Landlord with respect to the ownership, maintenance and operation of the Premises including, but not limited to: insurance, maintenance, repair and replacement of the foundation, roof, walls, heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems, paving and parking areas, roads and driveways; maintenance of exterior areas such as gardening and landscaping, snow removal and signage; maintenance and repair of roof membrane, flashings, gutters, downspouts, roof drains, skylights and waterproofing; painting; lighting; cleaning; refuse removal; security; utilities for, or the maintenance of, outside areas; building personnel costs; personal property taxes; rentals or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Premises; and fees for required licenses and permits. Operating Expenses expressly exclude any costs and expenses specific to the cultivation and processing of cannabis, and otherwise in connection with Tenant's Permitted Use, such costs and expenses will be borne by Tenant and not paid to Landlord as Operating Expenses.

6.3.2. Taxes. Tenant will promptly pay to Landlord upon Landlord's written request the amount of all Taxes levied and assessed for any such year upon the Premises. "**Taxes**" means any and all real estate taxes, fees, assessments and other charges of any kind or nature, whether general, special, ordinary or extraordinary, that Landlord shall pay or accrue (without regard to any different fiscal year used by such governmental authority) that are levied in respect of the Premises, or in respect of any improvement, fixture, equipment or other property of Landlord, real or personal, located at the Premises, or used in connection with the operation of the Premises, and all fees, expenses, and costs incurred by Landlord in investigating, protesting, contesting, or in any way seeking to reduce or avoid increases in any assessments, levies, or the tax rate

pertaining to the Taxes. Taxes shall not include Landlord's corporate franchise taxes, estate taxes, inheritance taxes or federal or state income taxes.

6.3.3. Estimated Costs. If and to the extent applicable, within sixty (60) days after the Commencement Date, and within sixty (60) days after the beginning of each calendar year, Landlord shall give Tenant a written estimate, for such calendar year, of the cost of Taxes and Operating Expenses payable by Landlord. Tenant shall pay such estimated amount to Landlord in equal monthly installments, in advance. Within ninety (90) days after the end of each calendar year, Landlord shall furnish to Tenant a statement showing in reasonable detail the cost of Taxes and Operating Expenses paid or payable by Landlord (the "**Annual Statement**"), and Tenant shall pay to Landlord the cost incurred by Landlord in excess of the payments made by Tenant within ten (10) days of receipt of such Annual Statement. In the event that the payments made by Tenant to Landlord for the estimated Taxes and Operating Expenses exceed the aggregate amount set forth in the Annual Statement, such excess amount shall be credited by Landlord to the Rent or other charges next due and owing, provided that, if the Term has expired, Landlord shall accompany said statement with the amount due Tenant.

6.3.4. Property Management Fee. Tenant shall pay to Landlord on, or before, the first day of each calendar month of the Term, as Additional Rent, the Property Management Fee. The "**Property Management Fee**" shall equal one and one-half percent (1.5%) of the then-current Base Rent due from Tenant. Tenant shall pay the Property Management Fee with respect to the entire Term, including any extensions thereof or any holdover periods, regardless of whether Tenant is obligated to pay Base Rent or any other Rent with respect to any such period or portion thereof.

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6.3.5. Absolute Net Lease. This Lease shall be deemed and construed to be an "absolute net lease" and, except as herein expressly provided, the Landlord shall receive all payments required to be made by Tenant, free from all charges, assessments, impositions, expenses, deductions of any and every kind or nature whatsoever. Tenant shall, at Tenant's sole cost and expense, maintain the landscaping and parking lot, and make all additional repairs and alterations as required to maintain the Premises consistent with current practices and otherwise in the condition required pursuant to this Lease.

6.4. Security Deposit. On or before the Execution Date of this Lease, Tenant shall deposit with Landlord a security deposit (the "**Security Deposit**") in cash in the amount of Six Hundred Forty-Five Thousand Dollars (\$645,000), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the Term. Landlord shall not be required to maintain a separate account for the Security Deposit, but may intermingle it with other funds of Landlord. If Tenant defaults with respect to any provision of this Lease (and any such default is not remedied within applicable cure periods), then without notice to Tenant, Landlord may (but shall not be required to) apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default. If any portion of the Security Deposit is so used or applied, then Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, then the unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby irrevocably waives and relinquishes any and all rights, benefits, or protections, if any, Tenant now has, or in the future may have under any provision of law which (i) establishes the time frame by which a landlord must refund a security deposit under a lease, or (ii) provides that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant, or to clean the subject premises. Tenant acknowledges and agrees that (A) any statutory time frames for the return of a security deposit are superseded by the express period identified in this Section 6.4, and (B) rather than be so limited, Landlord may claim from the Security Deposit (i) any and all sums expressly identified in this Section 6.4, and (ii) any additional sums reasonably necessary to compensate Landlord for any and all losses or damages caused by Tenant's default of this Lease, including, but not limited to, all damages or rent due upon termination of this Lease. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings. The Security Deposit shall be reduced to Four Hundred Eighty-Three Thousand Seven Hundred Fifty Dollars (\$483,750) on April 6, 2021, provided that no Default has occurred and is continuing on such date; the Security Deposit shall be further reduced to Three Hundred Twenty-Two Thousand Five Hundred Dollars (\$322,500) on April 6, 2024, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to One Hundred Sixty-One Thousand Two Hundred Fifty Dollars (\$161,250) on April 6, 2027, provided that no Default has occurred and is continuing on such date. In each such case, Landlord shall promptly refund to Tenant the excess Security Deposit, in accordance with Tenant's written instructions.

6.5. Base Rent Adjustments. Base Rent shall be subject to an annual upward adjustment of three and one-half percent (3.5%) of the then-current Base Rent. The first such adjustment shall become effective commencing on the first annual anniversary of the Commencement Date, and subsequent adjustments shall become effective on every successive annual anniversary for so long as this Lease continues in effect.

6.6. No Discharge of Rent Obligations. Tenant's obligation to pay Rent shall not be discharged or otherwise affected by (a) any Applicable Laws now or hereafter applicable to the Premises, (b) any other restriction on Tenant's use, (c) except as expressly provided herein, any casualty or taking or (d) any other occurrence; and Tenant waives all rights now or hereafter existing to terminate or cancel this Lease or quit or surrender the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover rent. Tenant's obligation to pay Rent with respect to any period or obligations arising, existing or pertaining to the period prior to the date of the expiration or earlier termination of the Term or this Lease shall survive any such expiration or earlier termination; provided, however, that nothing in this sentence shall in any way affect Tenant's obligations with respect to any other period. Except as expressly provided in this Lease, Tenant, to the extent now or hereafter permitted by Applicable Laws, waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or to any diminution, abatement or reduction of Rent payable hereunder.

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7. Use.

7.1. Use. Tenant shall use the Premises solely for the Permitted Use, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion. Tenant shall comply, and cause Tenant Parties to comply, with all Applicable Laws, zoning ordinances and certificates of occupancy issued for the Premises or any portion thereof. Tenant shall not use any portion of the roof of the Premises. Tenant shall not commit, or allow Tenant Parties to commit, any waste of the Premises. Tenant shall not do, or permit Tenant Parties to do, anything on or about the Premises that in any way increases the rate, or invalidates or prevents the procuring, of any insurance protecting against loss or damage to any portion of the Premises or its contents, or against liability for damage to property or injury to persons in or about any portion of the Premises. For purposes hereof, "**Tenant Parties**" means Tenant's agents, contractors, subcontractors, employees, customers, licensees, invitees, assignees and subtenants; and the term "**Applicable Laws**" means all federal (to the extent not in direct conflict with applicable state, municipal or local cannabis licensing and program laws, rules and regulations), state, municipal and local laws, codes, ordinances, rules and regulations of governmental authorities, committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises or any portion thereof, Landlord or Tenant, including both statutory and common law, hazardous waste rules and regulations, and state cannabis licensing and program laws, rules and regulations. Tenant may only place equipment within the Premises with floor loading consistent with the Building's structural design unless Tenant obtains Landlord's prior written approval. Tenant may place such equipment only in a location designed to carry the weight of such equipment.

7.2. Legal Compliance. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for all improvements or alterations required to be made and all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with Applicable Laws, including, without limitation, the

Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the "ADA"), and Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising out of any such failure of the Premises to comply with Applicable Laws, including, without limitation, the ADA.

7.3. **Indemnification.** Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord and its affiliates, lenders, employees, agents and contractors (collectively, the "**Landlord Indemnitees**") harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, criminal or civil actions, forfeiture seizures, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, "**Claims**") of any kind or nature that arise before, during or after the Term as a result of Tenant's breach of this Section 7.

7.4. **Use in Accordance with Medical Cannabis Laws.** Landlord acknowledges Tenant's Permitted Use is in connection with Tenant's participation in Pennsylvania's medical cannabis program and such Permitted Use will be in accordance with applicable state, municipal or local cannabis licensing and program laws, rules and regulations as the same may be amended from time to time (including, to the extent that the Medical Cannabis Laws are amended to permit recreational use) (as so amended, the "**Medical Cannabis Laws**"). Landlord understands, acknowledges and agrees that the Permitted Use is acceptable under Medical Cannabis Laws but that the Medical Cannabis Laws and federal law are in conflict on this point and that the manufacturing, distribution and/or sale of cannabis remain in violation of federal law, including, without limitation, the Controlled Substances Act.

Notwithstanding the foregoing, Landlord consents specifically to Tenant's Permitted Use of the Premises and agrees to reasonably cooperate with Tenant (at Tenant's sole cost and expense) in connection with obtaining (or maintaining) any permits or approvals necessary to continue to conduct the Permitted Use at the Premises in accordance with the Medical Cannabis Laws. Landlord also acknowledges that, pursuant to the Medical Cannabis Laws, Tenant is subject to certain security and operational requirements that limit access by third parties to the Premises. As such Landlord agrees to the additional following requirements, to the extent reasonably required for compliance with the Medical Cannabis Laws:

(i) Except as expressly provided in this Lease, Landlord shall not access, nor shall it permit any third parties to access, the Premises without the prior written consent of Tenant;

(ii) Landlord shall not make any changes, alterations, modifications or improvements to the Premises without Tenant's prior written consent; however, Tenant shall be permitted to make any such changes to the extent necessary for its compliance with the Medical Cannabis Laws;

(iii) Landlord shall permit Tenant exclusively to perform all security requirements under the Medical Cannabis Laws with respect to the Premises including, without limitation, the installation of security cameras, alarms, surveillance systems, lighting and the services of security personnel.

8. Hazardous Materials.

8.1. Tenant shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in or about the Premises in violation of Applicable Laws by Tenant or any Tenant Party. If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Premises, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term or any extension or renewal hereof or holding over hereunder or (d) contamination of the Premises occurs as a result of Hazardous Materials that are placed on or under or are released into the Premises by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Premises or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, (y) damages arising from any adverse impact on marketing of space in the Premises or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any governmental authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Premises, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Premises, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Premises, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Premises, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation.

8.2. Landlord acknowledges that it is not the intent of this Section 8 to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any environmental Applicable Laws in the form of a Tier II form pursuant to Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986 (or any successor statute) or any other form reasonably requested by Landlord, (b) a list of any and all approvals or permits from governmental authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of notices of violations of Applicable Laws related to Hazardous Materials (collectively, "**Hazardous Materials Documents**"). Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any Tenant Improvements or Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

8.3. Tenant represents and warrants to Landlord that Tenant is not, nor has it been, in connection with the use, disposal or storage of Hazardous Materials, (a) subject to a material enforcement order issued by any governmental authority or (b) required to take any remedial action.

8.4. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Premises or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party, the cost of which shall be

an Operating Expense.

8.5. If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws.

8.6. Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

8.7. Tenant's obligations under this Section 8 shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Section 4.

8.8. As used herein, the term "**Hazardous Material**" means any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is or becomes regulated by Applicable Laws or any governmental authority. Hazardous Materials shall not include cannabis or any cannabis derived material or products.

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9. Alterations.

9.1. Tenant shall not make any alterations, additions or improvements in or to the Premises or engage in any construction, demolition, reconstruction, renovation or other work (whether major or minor) of any kind in, at or serving the Premises ("**Alterations**"), without obtaining Landlord's prior written consent, except Tenant may make non-structural Alterations to the interior of the Premises (excluding the roof) without such consent but upon at least ten (10) days' prior notice to Landlord, provided that the cost thereof does not exceed One Hundred Twenty Thousand Dollars (\$120,000.00) per occurrence or an aggregate amount of Three Hundred Thousand Dollars (\$300,000.00) annually. Notwithstanding the foregoing, Tenant will not do anything that could have a material adverse effect on the Building or life safety systems, without obtaining Landlord's prior written consent. Any such improvements, excepting movable furniture, trade fixtures and equipment, shall become part of the realty and belong to Landlord. All alterations and improvements shall be properly permitted and installed at Tenant's sole cost, by a licensed contractor, in a good and workmanlike manner, and in conformity with all Applicable Laws. Any alterations that Tenant shall desire to make and which require the consent of Landlord shall be presented to Landlord in written form with detailed plans. Tenant shall: (i) acquire all applicable governmental permits; (ii) furnish Landlord with copies of both the permits and the plans and specifications at least thirty (30) days before the commencement of the work, and (iii) comply with all conditions of said permits in a prompt and expeditious manner. Any alterations shall be performed in a workmanlike manner with good and sufficient materials. Upon completion of any Alterations, Tenant shall promptly upon completion furnish Landlord with a reproducible copy of as-built drawings and specifications for any Alterations.

9.2. At least twenty (20) days prior to commencing any work relating to any Alterations requiring the approval of Landlord that have been so approved, Tenant shall notify Landlord in writing of the expected date of commencement. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant for use in improving the Premises. Tenant shall not permit any mechanics' or materialmen's liens to be levied against the Premises arising out of work performed, materials furnished, or obligations to have been performed on the Premises by or at the request of Tenant. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord Indemnitees from and against any and all Claims of any kind or nature that arise before, during or after the Term on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Tenant or its contractors, agents or employees. If Tenant fails to discharge or undertake to defend against such liability, upon receipt of written notice from Landlord of such failure, Tenant shall have fifteen (15) days (the "**Defense Cure Period**") to cure such failure by prosecuting such a defense. If Tenant fails to do so within the Defense Cure Period, then Landlord may settle the same and Tenant's liability to Landlord shall be conclusively established by such settlement provided that such settlement is entered into on commercially reasonable terms and conditions, the amount of such liability to include both the settlement consideration and the costs and expenses (including attorneys' fees) incurred by Landlord in effecting such settlement. In the event any contractor, agent or employee notifies Tenant of its intent to file a mechanics' or materialmen's lien against the Premises, Tenant shall immediately notify Landlord of such intention to file a lien or a lawsuit with respect to such lien.

9.3. Tenant shall repair any damage to the Premises caused by Tenant's removal of any property from the Premises. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if such space were otherwise occupied by Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

9.4. The Premises plus any Alterations, Tenant Improvements, attached equipment, decorations, fixtures and trade fixtures; movable casework and related appliances; and other additions and improvements attached to or built into the Premises made by either of the parties (including all floor and wall coverings; paneling; sinks and related plumbing fixtures; attached benches; production equipment; walk-in refrigerators; ductwork; conduits; electrical panels and circuits; attached machinery and equipment; and built-in furniture and cabinets, in each case, together with all additions and accessories thereto), shall (unless, prior to such construction or installation, Landlord elects otherwise in writing) at all times remain the property of Landlord, shall remain in the Premises and shall (unless, prior to construction or installation thereof, Landlord elects otherwise in writing) be surrendered to Landlord upon the expiration or earlier termination of this Lease. For the avoidance of doubt, the items listed on Exhibit B attached hereto (which Exhibit B may be updated by Tenant from and after the Commencement Date, subject to Landlord's written consent) constitute Tenant's property and shall be removed by Tenant upon the expiration or earlier termination of the Lease.

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9.5. If Tenant shall fail to remove any of its property from the Premises prior to the expiration of the Term, then Landlord may, at its option, remove the same in any manner that Landlord shall choose and store such effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, upon demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of such personal property.

9.6. Tenant shall pay to Landlord an amount equal to one and one-half percent (1.5%) of the cost to Tenant of all Alterations to cover Landlord's overhead and expenses for plan review, engineering review, coordination, scheduling and supervision thereof, except that Tenant shall not be required to pay the above amount for any non-structural Alterations to the extent they are within the limits set forth in Section 9.1 above and do not require Landlord's prior consent. For purposes of payment of such sum, Tenant shall submit to Landlord copies of all bills, invoices and statements covering the costs of such charges, accompanied by payment to Landlord of the fee set forth in this Section. In addition, Tenant shall reimburse Landlord for all third-party costs actually incurred by Landlord in connection with any Alterations, including any non-structural Alterations that do not require Landlord's prior consent.

9.7. Tenant shall require its contractors and subcontractors performing work on the Premises to name Landlord and its affiliates and any lender as additional insureds on their respective insurance policies.

10. Odors and Fumes. Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises. Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in Landlord's judgment be necessary or appropriate from time to time) to abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's reasonable judgment, emanate from Tenant's Premises. Any work Tenant performs under this Section shall constitute Alterations. Tenant's responsibility to abate odors, fumes and exhaust shall continue throughout the Term. If Tenant fails to install satisfactory odor control equipment within thirty (30) business days after Landlord's written demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's reasonable determination, cause odors, fumes or exhaust.

11. Repairs and Maintenance.

11.1. Care of Premises. This Lease shall be deemed and construed to be an "absolute net lease." Tenant shall, at its sole cost and expense, keep the Premises in a working, neat, clean, sanitary, safe condition and repair, and shall keep the Premises free from trash. Tenant shall make all repairs or replacements thereon or thereto, whether ordinary or extraordinary. Without limiting the foregoing, Tenant's obligations hereunder shall include the maintenance, repair and replacement of the Building foundation, roof (including roof membrane), walls and all other structural components of the Building; all heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems serving the Building or Premises; the parking areas, roads and driveways located on the Premises; maintenance of exterior areas such as gardening and landscaping; snow removal and signage; maintenance and repair of flashings, gutters, downspouts, roof drains, skylights and waterproofing; and painting. Landlord shall not be required to furnish any services or facilities or to make any repairs, replacements or alterations of any kind in or on the Premises. Tenant shall receive all invoices and bills relative to the Premises and, except as otherwise provided herein, shall pay for all expenses directly to the person or company submitting a bill without first having to forward payment for the expenses to Landlord. Tenant hereby expressly waives the right to make repairs at the expense of Landlord as provided for in any Applicable Laws in effect at the time of execution of this Lease, or in any other Applicable Laws that may hereafter be enacted, and waives its rights under Applicable Laws relating to a landlord's duty to maintain its premises in a tenantable condition.

11.2. Service Contracts and Invoices. Tenant shall, promptly upon Landlord's written request therefor, provide Landlord with copies of all service contracts relating to the Tenant's maintenance of the Premises and invoices received from Tenant from such service providers.

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11.3. Action by Landlord if Tenant Fails to Maintain. If Tenant refuses or neglects to repair or maintain the Premises as required hereunder to the reasonable satisfaction of Landlord, Landlord, at any time following ten (10) business days from the date on which Landlord shall make written demand on Tenant to affect such repair or maintenance, may, but shall not have the obligation to, make such repair and/or maintenance (without liability to Tenant for any loss or damage which may occur to Tenant's merchandise, fixtures or other personal property, or to Tenant's business by reason thereof) and upon completion thereof, Tenant shall pay to Landlord as Landlord Additional Rent Landlord's costs for making such repairs, plus interest at the Default Rate from the date of expenditure by Landlord upon demand therefor. Moreover, Tenant's failure to pay any of the charges in connection with the performance of its maintenance and repair obligations under this Lease will constitute a material default under the Lease.

11.4. No Rent Abatement. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Premises, or in or to improvements, fixtures, equipment and personal property therein.

11.5. Right of Entry. Landlord and Landlord's agents shall have the right, subject to the requirements of Section 7.4 above, to enter upon the Premises or any portion thereof for the purposes of performing any repairs or maintenance Landlord is permitted to make pursuant to this Lease, and of ascertaining the condition of the Premises or whether Tenant is observing and performing Tenant's obligations hereunder, all without unreasonable interference from Tenant or Tenant Parties. Except for emergency maintenance or repairs, the right of entry contained in this paragraph shall be exercisable at reasonable times, at reasonable hours and on reasonable notice, and subject to Tenant's authorized personnel accompanying Landlord's agents in sensitive areas of the Premises.

12. Liens. Tenant shall keep the Premises free from any liens arising out of work or services performed, materials furnished to or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialman's lien filed against the Premises for work or services claimed to have been done for, or materials claimed to have been furnished to, or obligations incurred by Tenant shall be discharged or bonded by Tenant within ten (10) days after the filing thereof, at Tenant's sole cost and expense. Should Tenant fail to discharge or bond against any lien of the nature described in this Section, Landlord may, at Landlord's election, pay such claim or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising from any such liens, including any administrative, court or other legal proceedings related to such liens. In the event that Tenant leases or finances the acquisition of office equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises.

13. Rules and Regulations and CC&Rs and Parking Facilities. Tenant shall faithfully observe and comply with and shall ensure that its contractors, subcontractors, employees, subtenants and invitees faithfully observe and comply with such reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion. This Lease is subject to any recorded covenants, conditions or restrictions on the Property or Premises, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time (the "CC&Rs"). Tenant shall, at its sole cost and expense, comply with the CC&Rs.

14. Utilities and Services. Tenant shall make all arrangements for and pay for all water, sewer, gas, heat, light, power, telephone service and any other service or utility Tenant requires at the Premises. Landlord shall not be liable for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant any abatement or right to terminate this Lease. In the event that any utilities are furnished by Landlord, Tenant shall pay to Landlord the cost thereof as an Operating Expense.

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15. Estoppel Certificate. Tenant shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing substantially in the form attached to this Lease as Exhibit C, or on any other form reasonably requested by a current or proposed lender or encumbrancer or proposed purchaser, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to this Lease or the Premises as may be requested thereon. Each Guarantor shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing in the same form. Tenant's or any Guarantor's failure to deliver any such statement within such the prescribed time shall, at Landlord's option, constitute a Default (as defined below) under this Lease, and, in any event, shall be binding upon Tenant or such Guarantor (as applicable) that the Lease and such Guaranty are in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant or such Guarantor (as applicable) for execution.

16. Assignment or Subletting.

16.1. None of the following (each, a "**Transfer**"), either voluntarily or by operation of Applicable Laws, shall be directly or indirectly performed without Landlord's prior written consent: (a) Tenant selling, hypothecating, assigning, pledging, encumbering or otherwise transferring this Lease or subletting the Premises or (b) a controlling interest in Tenant being sold, assigned or otherwise transferred (other than as a result of shares in Tenant being sold on a public stock exchange, transferred to an Affiliate, or a Permitted Transfer as defined below). For purposes of the preceding sentence, "control" means (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person or (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person.

16.2. In the event Tenant desires to effect a Transfer, then, at least thirty (30) but not more than ninety (90) days prior to the date when Tenant desires the Transfer to be effective (the "**Transfer Date**"), Tenant shall provide written notice to Landlord (the "**Transfer Notice**") containing information (including references) concerning the character of the proposed transferee, assignee or sublessee; the proposed Transfer Date; the most recent unconsolidated financial statements of Tenant and of the proposed transferee, assignee or sublessee ("**Required Financials**"); any ownership or commercial relationship between Tenant and the proposed transferee, assignee or sublessee; and the consideration and all other material terms and conditions of the proposed Transfer, all in such detail as Landlord shall reasonably require. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer to a transferee, assignee or sublessee of poor reputation, lacking financial qualifications or seeking a change in the Permitted Use, or jeopardizing directly or indirectly the status of Landlord or any of Landlord's affiliates as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended from time to time.

16.3. The following are conditions precedent to a Transfer or to Landlord considering a request by Tenant to a Transfer:

16.3.1. Tenant shall remain fully liable under this Lease and each Guarantor shall continue to remain fully liable under such Guarantor's Guaranty, including with respect to the Term after the Transfer Date. Tenant agrees that it shall not be (and shall not be deemed to be) a guarantor or surety of this Lease, however, and waives its right to claim that it is a guarantor or surety or to raise in any legal proceeding any guarantor or surety defenses permitted by this Lease or by Applicable Laws;

16.3.2. Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the value of Landlord's interest under this Lease shall not be diminished or reduced by the proposed Transfer. Such evidence shall include evidence respecting the relevant business experience and financial responsibility and status of the proposed transferee, assignee or sublessee;

16.3.3. Tenant shall reimburse Landlord for Landlord's actual costs and expenses, including attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request;

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16.3.4. If Tenant's transfer of rights or sharing of the Premises provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after making deductions for any reasonable marketing expenses, tenant improvement funds expended by Tenant, alterations, cash concessions, brokerage commissions, attorneys' fees and free rent actually paid by Tenant. If such consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

16.3.5. The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

16.3.6. Tenant shall not then be in Default hereunder in any respect;

16.3.7. Such proposed transferee, assignee or sublessee's use of the Premises shall be the same as the Permitted Use;

16.3.8. Landlord shall not be bound by any provision of any agreement pertaining to the Transfer, except for Landlord's written consent to the same;

16.3.9. Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable for any Transfer;

16.3.10. Landlord's consent (or waiver of its rights) for any Transfer shall not waive Landlord's right to consent or refuse consent to any later Transfer;
and

16.3.11. Tenant shall deliver to Landlord a list of Hazardous Materials (as defined below), certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises. Additionally, Tenant shall deliver to Landlord, on or before the date any proposed transferee, assignee or sublessee takes occupancy of the Premises, all of the items relating to Hazardous Materials of such proposed transferee, assignee or sublessee as described in Section 8.

16.4. Any Transfer that is not in compliance with the provisions of this Section or with respect to which Tenant does not fulfill its obligations pursuant to this Section shall be void and shall, at the option of Landlord, terminate this Lease.

16.5. Notwithstanding any Transfer, Tenant shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer.

16.6. If Tenant delivers to Landlord a Transfer Notice indicating a desire to transfer this Lease to a proposed transferee, assignee or sublessee, then Landlord shall have the option, exercisable by giving notice to Tenant within ten (10) days after Landlord's receipt of such Transfer Notice, to terminate this Lease as of the date specified in the Transfer Notice as the Transfer Date, except for those provisions that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to terminate this Lease. In the event Tenant withdraws the Transfer Notice as provided in this Section, this Lease shall continue in full force and effect. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

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16.7. If Tenant sublets the Premises or any portion thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default (as defined below) by Tenant, Tenant shall have the right to collect such rent.

16.8. Permitted Transfers. Tenant may assign its entire interest under this Lease or sublease all or a portion of the Premises without the consent of Landlord to: (i) an affiliate, subsidiary or parent of Tenant; (ii) any entity into which that Tenant or an affiliated party may merge or consolidate; (iii) any entity that acquires all or substantially all of the assets of Tenant; each a "Permitted Transfer" and such transferee a "Permitted Transferee", provided that (a) Tenant notifies Landlord at least twenty (20) days prior to the effective date of any such Permitted Transfer; (b) Tenant is not in default and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease; (c) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("Net Worth") at least equal to the Net Worth of the original Tenant on the day immediately preceding the effective date of such assignment or sublease and reasonably sufficient to comply with the obligations under this Lease; (d) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease; and (e) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant and each Guarantor. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied. As used in this Section 16.8, (w) "parent" shall mean a company which owns a majority of Tenant's voting equity; (x) "subsidiary" shall mean an entity wholly owned by Tenant or at least fifty-one percent (51%) of whose voting equity is owned by Tenant; (y) "affiliate" shall mean an entity controlled by, controlling or under common control with Tenant; and (z) "control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity.

17. Indemnification and Exculpation.

17.1. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, real or alleged, arising from (a) injury to or death of any person or damage to any property occurring within or about the Premises arising directly or indirectly out of the presence at or use or occupancy of the Premises or Project by a Tenant Party; (b) an act or omission on the part of any Tenant Party; (c) a breach or default by Tenant in the performance of any of its obligations hereunder or (d) injury to or death of persons or damage to or loss of any property, real or alleged, arising from the serving of any intoxicating substances at the Premises or Project, except to the extent any of the foregoing are directly caused by Landlord's or its agents' gross negligence or willful misconduct. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

Landlord agrees to indemnify, save, defend (at Tenant's option and with counsel reasonably acceptable to Tenant) and hold Tenant and its agents, employees, affiliates and contractors harmless from and against any and all Claims of any kind or nature, real or alleged, arising from (a) the active negligence or the gross negligence or willful misconduct of Landlord or its agents; (b) a breach or default by Landlord in the performance of any of its obligations hereunder, except to the extent any of the foregoing are directly caused by Tenant's or its agents' negligence or willful misconduct. Landlord's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Landlord under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Landlord's obligations under this Section shall survive the expiration or earlier termination of this Lease.

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17.2. Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for and Tenant assumes all risk of (a) damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines), and (b) damage to personal property (in each case, regardless of whether such damages are foreseeable). Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section. Notwithstanding anything in the foregoing or this Lease to the contrary, except as otherwise provided herein or as may be required by Applicable Laws, in no event shall Landlord be liable to Tenant for any consequential, special or indirect damages arising out of this Lease, including lost profits.

17.3. Except as otherwise provided in this Lease, Landlord shall not be liable for any damages arising from any act, omission or neglect of any third party.

17.4. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

18. Insurance; Waiver of Subrogation.

18.1. Landlord shall maintain a policy or policies of insurance protecting Landlord against the following (all of which shall be payable by Tenant as Operating Expenses):

18.1.1. Fire and other perils normally included within the classification of fire and extended coverage, together with insurance against vandalism and malicious mischief, to the extent of the full replacement cost of the Premises, including, at Landlord's option, earthquake and flood coverage, exclusive of trade fixtures, equipment and improvements insured by Tenant, with agreed value, full replacement and other endorsements which Landlord may elect to maintain;

18.1.2. Thirty-six (36) months of rental loss insurance and to the extent of 100% of the gross rentals from the Premises;

18.1.3. Comprehensive general liability insurance with a single limit of not less than \$2,000,000 for bodily injury or death and property damage with respect to the Premises, a general aggregate not less than \$2,000,000 for bodily injury or death and property damage with respect to the Premises, and not less than \$4,000,000 of excess umbrella liability insurance; and

18.1.4. At Landlord's sole option, environmental liability or environmental clean-up/remediation insurance in such amounts and with such deductibles and other provisions as Landlord may determine in its sole and absolute discretion.

18.2. Tenant shall, at its own cost and expense, procure and maintain during the Term the following insurance for the benefit of Tenant and Landlord (as their interests may appear) with insurers financially acceptable and lawfully authorized to do business in the state where the Premises are located:

18.2.1. Commercial General Liability insurance on a broad-based occurrence coverage form, with coverages including but not limited to bodily injury (including death), property damage (including loss of use resulting therefrom), premises/operations, personal & advertising injury, and contractual liability with limits of liability of not less than \$2,000,000 for bodily injury and property damage per occurrence, \$5,000,000 general aggregate, which limits may be met by use of excess and/or umbrella liability insurance provided that such coverage is at least as broad as the primary coverages required herein.

18.2.2. Commercial Automobile Liability insurance covering liability arising from the use or operation of any auto, including those owned, hired or otherwise operated or used by or on behalf of the Tenant. The coverage shall be on a broad-based occurrence form with combined single limits of not less than \$1,000,000 per accident for bodily injury and property damage.

18.2.3. Commercial Property insurance covering property damage to the full replacement cost value and business interruption. Covered property shall include all tenant improvements in the Premises (to the extent not insured by Landlord) and Tenant's property including personal property, furniture, fixtures, machinery, equipment, stock, inventory and improvements and betterments, which may be owned by Tenant or Landlord and required to be insured hereunder, or which may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance, with respect only to all Alterations, Tenant Improvements or other work performed on the Premises by Tenant (collectively, "**Tenant Work**"), shall name Landlord and Landlord's current and future mortgagees as loss payees as their interests may appear, however this expressly excludes any personal property or inventory of Tenant including but not limited to those items listed on Exhibit B. Such insurance shall be written on an "all risk" of physical loss or damage basis including the perils of fire, extended coverage, electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, and such other risks Landlord may from time to time designate, for the full replacement cost value of the covered items with an agreed amount endorsement. Business interruption coverage shall have limits sufficient to cover Tenant's lost profits and necessary continuing expenses, including rents due Landlord under the Lease. The minimum period of indemnity for business interruption coverage shall be twelve (12) months plus twelve (12) months' extended period of indemnity.

18.2.4. Workers' Compensation insurance as is required by statute or law, or as may be available on a voluntary basis and Employers' Liability insurance with limits of not less than the following: each accident, Five Hundred Thousand Dollars (\$500,000); disease, Five Hundred Thousand Dollars (\$500,000); disease (each employee), Five Hundred Thousand Dollars (\$500,000).

18.2.5. Pollution Legal Liability insurance is required if Tenant stores, handles, generates or treats Hazardous Materials on or about the Premises (Landlord acknowledging that for purposes of this Section 18.2.5, cannabis shall not be deemed a Hazardous Material). Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of this Lease, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than \$1,000,000 per incident with a \$2,000,000 policy aggregate and for a period of two (2) years thereafter.

18.3. During all construction by Tenant at the Premises, with respect to tenant improvements being constructed (including the Tenant Improvements and any Alterations), insurance required in Exhibit E-1 must be in place.

18.4. The insurance required of Tenant by this Section shall be with companies at all times having a current rating of not less than A- and financial category rating of at least Class VII in "A.M. Best's Insurance Guide" current edition. Tenant shall obtain for Landlord from the insurance companies/broker or cause the insurance companies/broker to furnish certificates of insurance evidencing all coverages required herein to Landlord. Landlord reserves the right to require complete, certified copies of all required insurance policies including any endorsements. No such policy shall be cancelable or subject to reduction of coverage or cancellation except after twenty (20) days' prior written notice to Landlord from Tenant or its insurers (except in the event of non-payment of premium, in which case ten (10) days' written notice shall be given). All such policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's required policies shall contain severability of interests clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional insured. Tenant shall, at least twenty-five (25) days prior to the expiration of such policies, make commercially reasonable efforts to furnish Landlord with renewal certificates of insurance or binders. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent. Commercial General Liability, Commercial Automobile Liability, Umbrella Liability and Pollution Legal Liability insurance as required above shall name Landlord, IIP Operating Partnership, LP and Innovative Industrial Properties, Inc. and their respective officers, employees, agents, general partners, members, subsidiaries, affiliates and Lenders ("**Landlord Parties**") as additional insureds as respects liability arising from work or operations performed by or on behalf of Tenant, Tenant's use or occupancy of Premises, and ownership, maintenance or use of vehicles by or on behalf of Tenant.

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18.5. Tenant assumes the risk of damage to any fixtures, goods, inventory, merchandise, equipment and leasehold improvements, and Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease. Tenant shall, at Tenant's sole cost and expense, carry such insurance as Tenant desires for Tenant's protection with respect to personal property of Tenant or business interruption.

18.6. Each of Landlord, Tenant and their respective insurers hereby waive any and all rights of recovery or subrogation against the Landlord Parties and Tenant Parties respectively with respect to any loss, damage, claims, suits or demands, howsoever caused, that are covered, or should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder. If necessary, each party agrees to endorse the required insurance policies to permit waivers of subrogation as required hereunder and hold harmless and indemnify the other for any loss or expense incurred as a result of a failure to obtain such waivers of subrogation from insurers. Each party shall, upon obtaining the policies of insurance required or permitted under this Lease, shall give notice to its insurance carriers that the foregoing waiver of subrogation is contained in this Lease.

18.7. Landlord may require insurance policy limits required under this Lease to be raised to conform with requirements of Landlord's lender, if any.

18.8. Any costs incurred by Landlord pursuant to this Section shall be included as Operating Expenses payable by Tenant pursuant to this Lease.

18.9. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

19. Subordination and Attornment.

19.1. This Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or lease in which Landlord is tenant now or hereafter in force against the Premises or any portion thereof and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination.

19.2. Notwithstanding the foregoing, Tenant shall execute and deliver upon demand such further instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may be required by Landlord. If any such mortgagee, beneficiary or landlord under a lease wherein Landlord is tenant (each, a "**Mortgagee**") so elects, however, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request. If Tenant fails to execute any document required from Tenant under this Section within ten (10) days after written request therefor, Tenant hereby constitutes and appoints Landlord or its special attorney-in-fact to execute and deliver any such document or documents in the name of Tenant. Such power is coupled with an interest and is irrevocable.

19.3. Upon written request of Landlord and opportunity for Tenant to review, Tenant agrees to execute any Lease amendments not materially altering the terms

of this Lease, if required by a Mortgagee incident to the financing of the real property of which the Premises constitute a part.

19.4. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall at the election of the purchaser at such foreclosure or sale attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.

20. Defaults and Remedies.

20.1. Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Base Rent or the Property Management Fee or any other recurring monthly payment of Rent due from Tenant is not received by Landlord within five (5) business days after the date such payment is due, then Tenant shall pay to Landlord (a) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (b) interest at an annual rate (the "**Default Rate**") equal to the lesser of (a) fifteen percent (15%) and (b) the highest rate permitted by Applicable Laws. Furthermore, if any other payment of Rent due from Tenant is not received by Landlord within ten (10) days after Landlord has provided Tenant with written notice that such amount is overdue, then Tenant shall pay to Landlord (i) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (ii) interest at the Default Rate. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant and shall be payable as Additional Rent to Landlord due with the next installment of Rent. Landlord's acceptance of any Additional Rent (including a late charge or any other amount hereunder) shall not be deemed an extension of the date that Rent is due or prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity.

20.2. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law.

20.3. If Tenant fails to pay any sum of money required to be paid by it hereunder or perform any other act on its part to be performed hereunder, in each case within the applicable cure period (if any) described herein, then Landlord may (but shall not be obligated to), without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such act. Notwithstanding the foregoing, in the event of an emergency, Landlord shall have the right to enter the Premises and act in accordance with its rights as provided elsewhere in this Lease. Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord, together with interest at the Default Rate, computed from the date such sums were paid or incurred.

20.4. The occurrence of any one or more of the following events shall constitute a "**Default**" hereunder by Tenant:

20.4.1. Tenant abandons or vacates the Premises;

20.4.2. Tenant fails to make any payment of Rent, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant;

20.4.3. Tenant fails to observe or perform any obligation or covenant contained herein, after the expiration of any applicable notice and cure periods;

20.4.4. Tenant makes an assignment for the benefit of creditors, or a receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's or any Guarantor's assets;

20.4.5. Tenant or any Guarantor files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the "**Bankruptcy Code**") or an order for relief is entered against Tenant or any Guarantor (as applicable) pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code;

20.4.6. Any involuntary petition is filed against Tenant or any Guarantor under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

20.4.7. A default exists under any Guaranty executed by a Guarantor in favor of Landlord, after the expiration of any applicable notice and cure periods;

20.4.8. Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action;

20.4.9. A governmental authority seizes any part of the Property seeking forfeiture, whether or not a judicial forfeiture proceeding has commenced;

20.4.10. A final, non-appealable judgment having the effect of establishing that Tenant's operation violates Landlord's contractual obligations (i) pursuant to any private covenants of record restricting Landlord's Building containing the Premises or (ii) of good faith and fair dealing to any third party, including other tenants of the Building containing the Premises or occupants or owners of any other building within the Project; or

20.4.11. An event occurs that results in any insurance carrier that provides insurance coverage with respect to any aspect of the Project providing notice to the Landlord of its intent to cancel such insurance coverage, and Landlord, exercising commercially reasonable efforts, is not able to procure comparable replacement insurance coverage that is reasonably acceptable to Landlord prior to the actual cancellation date specified in the notice from the cancelling insurance carrier.

20.5. Notices given under this Section shall specify the alleged default and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

20.6. In the event of a Default by Tenant, and at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have under Applicable Laws or this Lease, Landlord has the right to do any or all of the following:

20.6.1. Halt any Tenant Improvements or Alterations and order Tenant's contractors to stop work;

20.6.2. Terminate Tenant's right to possession of the Premises by written notice to Tenant or by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage; and

20.6.3. Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including:

20.6.3.1. The sum of: (i) the worth at the time of award (computed by allowing interest at the Default Rate) of any unpaid Rent that had accrued at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent that would have accrued during the period commencing with termination of the Lease and ending at the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including the cost of restoring the Premises to the condition required under the terms of this Lease, including any rent payments not otherwise chargeable to Tenant (e.g., during any "free" rent period or rent holiday); plus (v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws; or

20.6.3.2. At Landlord's election, as minimum liquidated damages in addition to any (A) amounts paid or payable to Landlord pursuant to Section 20.6.3.1.(i) prior to such election and (B) costs of restoring the Premises to the condition required under the terms of this Lease, an amount (the "**Election Amount**") equal to either (Y) the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present cash rental value of the Premises as determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point (the "**Discount Rate**") or (Z) twelve (12) months (or such lesser number of months as may then be remaining in the Term) of Base Rent and Additional Rent at the rate last payable by Tenant pursuant to this Lease, in either case as Landlord specifies in such election. Landlord and Tenant agree that the Election Amount represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors; and that the Election Amount is not a penalty.

20.7. In addition to any other remedies available to Landlord at law or in equity and under this Lease, Landlord may continue this Lease in effect after Tenant's Default or abandonment and recover Rent as it becomes due. In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises. For purposes of this Section, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Premises: Acts of maintenance or preservation or efforts to relet the Premises, including alterations, remodeling, redecorating, repairs, replacements or painting as Landlord shall consider advisable for the purpose of reletting the Premises or any part thereof; or the appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Premises.

20.8. Notwithstanding the foregoing, in the event of a Default by Tenant, Landlord may elect at any time to terminate this Lease and to recover damages to which Landlord is entitled.

20.9. If Landlord does not elect to terminate this Lease as provided in this Section 20, then Landlord may, from time to time, recover all Rent as it becomes due under this Lease. At any time thereafter, Landlord may elect to terminate this Lease and to recover damages to which Landlord is entitled.

20.10. All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to mitigate its damages with respect to any default by Tenant, except as required by Applicable Laws. Any such obligation imposed by Applicable Laws upon Landlord to relet the Premises after any termination of this Lease shall be subject to the reasonable requirements of Landlord to lease to high quality tenants on such terms as Landlord may from time to time deem appropriate in its discretion. Landlord shall not be obligated to relet the Premises to any party (i) unacceptable to a Lender, (ii) that requires Landlord to make improvements to or re-demise the Premises, (iii) that desires to change the Permitted Use, (iv) that desires to lease the Premises for more or less than the remaining Term or (v) to whom Landlord or an affiliate of Landlord may desire to lease other available space in the Project or at another property owned by Landlord or an affiliate of Landlord.

20.11. To the extent permitted by Applicable Laws, Tenant waives any and all rights of redemption granted by or under any present or future Applicable Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises due to Tenant's default hereunder or otherwise.

20.12. Landlord shall not be in default or liable for damages under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time. In no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set off any Claims against Rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease.

20.13. In the event of any default by Landlord, Tenant shall give notice by registered or certified mail to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises or any portion thereof and to any landlord of any lease of land upon or within which the Premises are located, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request by Tenant, the names and addresses of all such persons who are to receive such notices.

21. Damage or Destruction.

21.1. Tenant's Obligation to Rebuild. If the Premises are damaged or destroyed, Tenant shall immediately provide notice thereof to Landlord, and shall promptly thereafter deliver to Landlord Tenant's good faith estimate of the time it will take to repair and rebuild the Premises (the "Estimated Time For Repair"). Subject to the other provisions of this Section 21, Tenant shall promptly and diligently repair and rebuild the Premises in accordance with this Section 21 unless Landlord or Tenant terminates this Lease in accordance with Section 21.2.

21.2. Termination.

21.2.1. Landlord's Right to Terminate.

21.2.1.1. Landlord shall have the right to terminate this Lease following damage to or destruction of all or a substantial portion of the Premises if any of the following occurs (each, a "**Termination Condition**"): (i) insurance proceeds, together with additional amounts Tenant agrees to contribute under this Section 21, are not confirmed to be available to Landlord, within 90 days following the date of damage, to pay 100% of the cost to fully repair the damaged Premises, excluding the deductible for which Tenant shall also be responsible for paying as an Operating Expense; (ii) based upon the Estimated Time For Repair, the Premises cannot, with reasonable diligence, be fully repaired by Tenant within eighteen (18) months after the date of the damage or destruction; (iii) the Premises cannot be safely repaired because of the presence of hazardous factors, including, but not limited to, earthquake faults, chemical waste and other similar dangers; (iv) subject to the terms and conditions of Section 21.2.1.1, hereof, all or a substantial portion of the Premises are destroyed or damaged during the last 24 months of the Term; or (v) Tenant is in Default at the time of such damage or destruction past any period of notice and cure as elsewhere provided in this Lease. For purposes of this Section 21.2, a "substantial portion" of the Premises shall be deemed to be damaged or destroyed if the Premises is rendered unsuitable for the continued use and occupancy of Tenant's business substantially in the same manner conducted prior to the event causing the damage or destruction.

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21.2.1.2. If all or a substantial portion of the Premises are destroyed or damaged within the last twenty-four (24) months of the initial Term, or within the last twenty-four (24) months of the first Extension Period under this Lease, and Landlord desires to terminate this Lease under Section 21.2.1.1, hereof, Landlord shall deliver a Termination Notice to Tenant pursuant to Section 21.2.3 below and Tenant shall have a period of thirty (30) days after receipt of the Termination Notice ("**Tenant's Early Option Period**") to exercise its option to extend the initial Term or the first Extension Period, as applicable, by providing Landlord with written notice of Tenant's exercise of its respective option prior to the expiration of Tenant's Early Option Period. If Tenant exercises its option rights under the immediately preceding sentence, the Termination Notice shall be deemed rescinded and Tenant shall proceed to repair and rebuild the Premises in accordance with the other provisions of this Section 21. If Tenant fails to deliver such written notice to Landlord prior to the end of Tenant's Early Option Period, then Tenant shall be deemed to have waived its option to extend the Term, and the last day of Tenant's Early Option Period shall be deemed to be the date of the occurrence of the Termination Condition under Section 21.2.1.1.

21.2.2. Tenant's Right to Terminate. Tenant shall have the right to terminate this Lease following damage to or destruction of all or a substantial portion of the Premises if the Premises are destroyed or damaged during the last twenty-four (24) months of the Term or any Extension, which termination shall be deemed to constitute a Termination Condition.

21.2.3. Exercise of Termination Right. If a party elects to terminate this Lease and has the right to so terminate, such party will give the other party written notice of its election to terminate ("**Termination Notice**") within thirty (30) days after the occurrence of the applicable Termination Condition, and this Lease will terminate fifteen (15) days after the receiving party's receipt of such Termination Notice, except in the case of a termination by Landlord under Section 21.2.1.1, in which case this Lease will terminate fifteen (15) days after expiration of the Tenant Early Option Period if Tenant timely fails to exercise timely Tenant's option to extend the Term. If this Lease is terminated pursuant to Section 21.2, Landlord shall, subject to the rights of its lender(s), be entitled to receive and retain all the insurance proceeds resulting from such damage, including rental loss insurance, except for those proceeds payable under policies obtained by Tenant which specifically insure Tenant's personal property, trade fixtures and machinery and Tenant is expressly allowed to retrieve and retain its personal property and inventory including, without limitation those items set forth on Exhibit B.

21.3. Tenant's Obligation to Repair. If Tenant is required to repair or rebuild any damage or destruction of the Premises under Section 21.1, then Tenant shall (a) submit its plans to repair such damage and reconstruct the Premises to Landlord for review and approval, which approval shall not be unreasonably withheld; (b) diligently repair and rebuild the Premises in the same or better condition and with the same or better quality of materials as the condition of the Premises as of the Commencement Date, and in a manner that is consistent with the plans and specifications approved by Landlord; (c) obtain all permits and governmental approvals necessary to repair or reconstruct the Premises (which permits shall not contain any conditions that are materially more restrictive than the permits in existence on the date hereof); (d) cause all work to be performed only by qualified contractors that are reasonably approved by Landlord; (e) allow Landlord and its consultants and agents to enter the Premises at all reasonable times to inspect the Premises and Tenant's ongoing work and cooperate reasonably in good faith with their effort to ensure that the work is proceeding in a manner that is consistent with this Lease; (f) comply with all applicable laws and permits in connection with the performance of such work; (g) timely pay all of its consultants, suppliers and other contractors in connection with the performance of such work; (h) notify Landlord if Tenant receives any notice of any default or any violation of any applicable law or any permit or similar notice in connection with such work; (i) deliver as-built plans for the Premises within thirty (30) days after the completion of such repair and restoration; (j) ensure that Landlord has fee simple title to the Premises during such work without any claim by any contractor or other party; (k) maintain such insurance as Landlord may reasonably require (including insurance in the nature of builders' risk insurance) and (l) comply with such other conditions as Landlord may reasonably require. In addition, Tenant shall, at its expense, replace or fully repair all of Tenant's personal property and any alterations installed by Tenant existing at the time of such damage or destruction. To the fullest extent permitted by law, Tenant shall indemnify, protect, defend and hold Landlord (and its employees and agents) harmless from and against any and all claims, costs, expenses, suits, judgments, actions, investigations, proceedings and liabilities arising out of or in connection with Tenant's obligations under this Section 21, including, without limitation, any acts, omissions or negligence in the making or performance of any such repairs or replacements. In the event Tenant does not repair and rebuild the Premises pursuant to this Section 21, Tenant shall be in breach, and Landlord shall have the right to retain all casualty insurance proceeds and condemnation proceeds.

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21.4. Application of Insurance Proceeds for Repair and Rebuilding. Landlord shall cause the insurance proceeds (the "**Insurance Proceeds**") on account of such damage or destruction to be held by Landlord and disbursed as follows:

21.4.1. Minor Restorations. If (i) the estimated cost of restoration is less than One Million Dollars (\$1,000,000.00), (ii) prior to commencement of restoration, no Default or event which, with the passage of time, would give rise to a Default shall exist and no mechanics' or materialmen's liens shall have been filed and remain undischarged, (iii) the architects, contracts, contractors, plans and specifications for the restoration shall have been approved by Landlord (which approval shall not be unreasonably withheld or delayed), (iv) Landlord shall be provided with reasonable assurance against mechanics' liens, accrued or incurred, as Landlord or its lenders may reasonably require and such other documents and instruments as Landlord or its lenders may reasonably require, and (v) Tenant shall have procured acceptable performance and payment bonds reasonably acceptable to Landlord in an amount and form, and from a surety, reasonably acceptable to Landlord, and naming Landlord as an additional obligee; then Landlord shall make available that portion of the Insurance Proceeds to Tenant for application to pay the costs of restoration incurred by Tenant and Tenant shall promptly complete such restoration.

21.4.2. Other Than Minor Restorations. If the estimated cost of restoration is equal to or exceeds One Million Dollars (\$1,000,000), and if Tenant provides evidence satisfactory to Landlord that sufficient funds are available to restore the Premises, Landlord shall make disbursements from the available Insurance Proceeds from time to time in an amount not exceeding the cost of the work completed since the date covered by the last disbursement, upon receipt of (a) satisfactory evidence, including architect's certificates, of the stage of completion, of the estimated cost of completion and of performance of the work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (b) reasonable assurance against mechanics' or materialmen's liens, accrued or incurred, as Landlord or its lenders may reasonably require, (c) contractors' and subcontractors' sworn statements, (d) a satisfactory bring-to-date of title insurance, (e) performance and payment bonds reasonably

acceptable to Landlord in an amount and form, and from a surety, reasonably acceptable to Landlord, and naming Landlord as an additional obligee, (f) such other documents and instruments as Landlord or its lenders may reasonably require, and (g) other evidence of cost and payment so that Landlord can verify that the amounts disbursed from time to time are represented by work that is completed, in place and free and clear of mechanics' lien claims.

21.4.3. Requests for Disbursements. Requests for disbursement shall be made no more frequently than monthly and shall be accompanied by a certificate of Tenant describing in detail the work for which payment is requested, stating the cost incurred in connection therewith and stating that Tenant has not previously received payment for such work; the certificate to be delivered by Tenant upon completion of the work shall, in addition, state that the work has been completed and complies with the applicable requirements of this Lease. Landlord may retain 10% of each requisition until the restoration is fully completed. In addition, Landlord may withhold from amounts otherwise to be paid to Tenant, any amount that is necessary in Landlord's reasonable judgment to protect Landlord from any potential loss due to work that is improperly performed or claims by Tenant's contractors and consultants.

21.4.4. Costs in Excess of Insurance Proceeds. In addition, prior to commencement of restoration and at any time during restoration, if the estimated cost of restoration, as determined by the evaluation of an independent engineer acceptable to Landlord and Tenant, exceeds the amount of the Insurance Proceeds, Tenant will provide evidence satisfactory to Landlord that the amount of such excess will be available to restore the Premises. Any Insurance Proceeds remaining upon completion of restoration shall be refunded to Tenant up to the amount of Tenant's payments pursuant to the immediately preceding sentence. If no such refund is required, any sum of Insurance Proceeds remaining upon completion of restoration shall be paid to Landlord. In the event Landlord and Tenant cannot agree on an independent engineer, an independent engineer designated by Tenant and an independent engineer designated by Landlord shall within five (5) business days select an independent engineer licensed to practice in California who shall resolve such dispute within ten (10) business days after being retained by Landlord. All fees, costs and expenses of such third engineer so selected shall be shared equally by Landlord and Tenant.

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21.5. Abatement of Rent. In the event of repair, reconstruction and restoration as provided in this Section, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration, unless Landlord provides Tenant with other space during the period of repair, reconstruction and restoration that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business; provided, however, that the amount of such abatement shall be reduced by the amount of Rent that is received by Tenant as part of the business interruption or loss of rental income with respect to the Premises from the proceeds of business interruption or loss of rental income insurance. Tenant shall not otherwise be entitled to any compensation or damages from Landlord for loss of the use of the Premises, damage to Tenant's personal property or any inconvenience occasioned by such damage, repair or restoration.

21.6. Replacement Cost. The determination in good faith by Landlord of the estimated cost of repair of any damage, of the replacement cost, or of the time period required for repair shall be conclusive for purposes of this Section 21.

21.7. This Section 21 sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

22. Eminent Domain.

22.1. In the event (a) the whole of the Premises or (b) such part thereof as shall substantially interfere with Tenant's use and occupancy of the Premises for the Permitted Use shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to such authority, except with regard to (y) items occurring prior to the taking and (z) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

22.2. In the event of a partial taking of the Premises for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sole to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, Landlord may elect to terminate this Lease (except with regard to (a) items occurring prior to the taking and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof) as of such taking if such taking is, in Landlord's sole opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for purposes of renting space for the Permitted Use.

22.3. Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's personal property that was installed at Tenant's expense and including, but not limited to, those items listed on Exhibit B and (b) the costs of Tenant moving to a new location. Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord unless such taking is temporary and the Lease is not terminated in which case the entirety of the award remains with Tenant, net of any costs incurred by Landlord to restore the Premises pursuant to Section 22.4 or to obtain such award, for which Landlord shall be entitled to be reimbursed prior to remitting the balance of such award to Tenant.

22.4. If, upon any taking of the nature described in this Section, this Lease continues in effect, then Landlord shall promptly proceed to restore the Premises to substantially their same condition prior to such partial taking. To the extent such restoration is infeasible, as determined by Landlord in its sole and absolute discretion, the Rent shall be decreased proportionately to reflect the loss of any portion of the Premises no longer available to Tenant.

22.5. This Section 22 sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

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23. Surrender. At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises ("Exit Survey") prepared by an independent third party state-certified professional with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. In addition, at least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall (a) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Applicable Laws, including laws pertaining to the surrender of the Premises, and (b) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Exit Survey and comply with any recommendations set forth in the Exit Survey. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Lease. The provisions of this Section 23 shall survive the termination or expiration of this Lease, and no surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

24. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease

shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion: (i) those acts specified in the Bankruptcy Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a facility described in such Applicable Laws; (ii) a prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease; (iii) a cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or (iv) the assumption or assignment of all of Tenant's interest and obligations under this Lease.

2 5 . **Brokers.** Tenant represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease and that it knows of no real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from any and all cost or liability for compensation claimed by any broker or agent employed or engaged by Tenant or claiming to have been employed or engaged by Tenant. The provisions of this Section 25 shall survive the expiration or termination of this Lease.

2 7 . **Definition of Landlord.** With regard to obligations imposed upon Landlord pursuant to this Lease, the term "**Landlord**," as used in this Lease, shall refer only to Landlord or Landlord's then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, Landlord herein named (and in case of any subsequent transfers or conveyances, the subsequent Landlord) shall be automatically freed and relieved, from and after the date of such transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee, assignee or conveyee of Landlord's in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, shall be deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease or the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant's consent.

2 8 . **Limitation of Landlord's Liability.** If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Premises, (b) rent or other income from such real property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Premises. Neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates. Each of the covenants and agreements of this Section 28 shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

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29 . **Control by Landlord.** Landlord reserves full control over the Premises to the extent not inconsistent with Tenant's enjoyment of the same as provided by this Lease; provided, however, that such rights shall be exercised in a way that does not adversely affect Tenant's beneficial use and occupancy of the Premises, including the Permitted Use and Tenant's access to the Premises. Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder; provided that Tenant need not execute any document that creates additional liability for Tenant or that deprives Tenant of the quiet enjoyment and use of the Premises as provided for in this Lease. Landlord may, upon twenty-four (24) hours' prior notice (which may be oral or by email to the office manager or other Tenant-designated individual at the Premises; but provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (v) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (w) supply any service Landlord is required to provide hereunder, (x) post notices of nonresponsibility and (y) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time (in all situations provided that Landlord's personnel are accompanied by Tenants' authorized personnel in sensitive areas of the Premises). In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section 29; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

3 0 . **Joint and Several Obligations.** If more than one person or entity executes this Lease as Tenant, then (i) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Lease as Tenant; and (ii) the term "**Tenant**," as used in this Lease, shall mean and include each of them, jointly and severally. The act of, notice from/to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

3 1 . **Representations.** Each of Tenant and Landlord guarantees, warrants and represents that (a) such party is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) such party is duly qualified to do business in the state in which the Property is located, (c) such party has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform its obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of such party is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which such party is constituted or to which such party is a party. In addition, Tenant guarantees, warrants and represents that none of (x) it, (y) its affiliates or partners nor (z) to the best of its knowledge, its members, shareholders or other equity owners or any of their respective employees, officers, directors, representatives or agents is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

32 . **Confidentiality.** Tenant shall keep the terms and conditions of this Lease confidential and shall not (a) disclose to any third party any terms or conditions of this Lease or any other Lease-related document (including subleases, assignments, work letters, construction contracts, letters of credit, subordination agreements, non-disturbance agreements, brokerage agreements or estoppels) or (b) provide to any third party an original or copy of this Lease (or any Lease-related document). Notwithstanding the foregoing, confidential information under this Section may be released by Landlord or Tenant under the following circumstances: (x) if required by Applicable Laws or in any judicial proceeding; provided that the releasing party has given the other party reasonable notice of such requirement, if feasible, (y) to a party's attorneys, investors, accountants, brokers and other bona fide consultants or advisers; provided such third parties agree to be bound by this Section or (z) to bona fide prospective assignees or subtenants of this Lease; provided they agree in writing to be bound by this Section.

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3 3 . **Notices.** Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given

hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Subsection 33(a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with Subsection 33(a); (y) one (1) business day after deposit with a reputable international overnight delivery service, if given if given in accordance with Subsection 33(b); or (z) upon transmission, if given in accordance with Subsection 33(c). Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant at the Premises, or to Landlord or Tenant at the addresses shown in Section 2. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

34. Guaranties. In the event that any entity affiliated with Tenant is formed after the Execution Date which entity conducts business in the cannabis industry in the state of Minnesota, the state of New York or the state of Pennsylvania (each, a “**New Guarantor**”), Tenant shall promptly cause such New Guarantor to execute a Guaranty in the form attached hereto as Exhibit D and deliver such executed Guaranty to Landlord. Any failure by Tenant to provide such Guaranty within thirty (30) days following the formation of such New Guarantor shall be deemed a material default under this Lease. The obligations of each Guarantor shall be joint and several and Tenant shall cause each Guarantor to execute and deliver such further documentation as may be reasonably required to confirm such Guarantor’s full and unconditional guaranty of Tenant’s obligations under this Lease.

35. Miscellaneous.

35.1. To induce Landlord to enter into this Lease, Tenant agrees that it shall, within one-hundred and twenty (120) days after the end of Tenant's financial year, furnish Landlord with a certified copy of Tenant's audited year-end unconsolidated financial statements for the previous year and shall cause Guarantor to furnish Landlord (within one-hundred and fifty days from the end of Guarantor's financial year) with a certified copy of Guarantor's audited year-end unconsolidated financial statements for the previous year. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects and that all financial statements, records and information furnished by Guarantor to Landlord in connection with this Lease are true, correct and complete in all respects. If audited financials are not otherwise prepared, unaudited financials complying with generally accepted accounting principles and certified by the chief financial officer of Tenant or Guarantor (as applicable) as true, correct and complete in all respects shall suffice for purposes of this Section. The provisions of this Section shall not apply at any time while Tenant or Guarantor (as applicable) is a corporation whose shares are traded on any nationally recognized stock exchange.

35.2. The terms of this Lease are intended by the parties as a final, complete and exclusive expression of their agreement with respect to the terms that are included herein, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement.

35.3. Neither party shall record this Lease.

35.4. Landlord and Tenant have each participated in the drafting and negotiation of this Lease, and the language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

35.5. Except as otherwise expressly set forth in this Lease, each party shall pay its own costs and expenses incurred in connection with this Lease and such party's performance under this Lease; provided that, if either party commences an action, proceeding, demand, claim, action, cause of action or suit against the other party arising out of or in connection with this Lease, then the substantially prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

35.6. Time is of the essence with respect to the performance of every provision of this Lease.

35.7. Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

35.8. Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations under this Lease are independent and shall not be conditioned upon performance by Landlord.

35.9. Whenever consent or approval of either party is required, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary.

35.10. Any provision of this Lease that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

35.11. Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors and assigns. This Lease is for the sole benefit of the parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Lease shall give or be construed to give any other person or entity any legal or equitable rights. Nothing in this Section shall in any way alter the provisions of this Lease restricting assignment or subletting.

35.12. This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are located, without regard to such state's conflict of law principles.

35.13. Landlord covenants that Tenant, upon paying the Rent and performing its obligations contained in this Lease, may peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Applicable Laws and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other quiet enjoyment covenant, either express or implied.

35.14. Each of Tenant and Landlord guarantees, warrants and represents to the other party that the individual or individuals signing this Lease have the power, authority and legal capacity to sign this Lease on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

35.15. This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

35.16. No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant.

35.17. No waiver of any term, covenant or condition of this Lease shall be binding upon Landlord unless executed in writing by Landlord. The waiver by Landlord of any breach or default of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Lease.

35.18. To the extent permitted by Applicable Laws, the parties waive trial by jury in any action, proceeding or counterclaim brought by the other party hereto related to matters arising out of or in any way connected with this Lease; the relationship between Landlord and Tenant; Tenant's use or occupancy of the Premises; or any claim of injury or damage related to this Lease or the Premises.

[The remainder of this page is intentionally left blank. Signature page follows.]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Lease on the day and year first above written.

LANDLORD:

IIP-PA I LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer, Chief Accounting Officer and Treasurer

TENANT:

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CFO

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EXHIBIT A

PREMISES

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT B

TENANT'S PERSONAL PROPERTY

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT C

FORM OF TENANT ESTOPPEL CERTIFICATE

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT D

FORM OF

GUARANTY OF LEASE

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or

exhibit to the SEC upon request.

EXHIBIT E
WORK LETTER

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EXHIBIT E-1
TENANT WORK INSURANCE SCHEDULE

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of this 7th day of December, 2018, by and between IIP-PA 1 LLC, a Delaware limited liability company ("Landlord"), and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of April 6, 2018 (the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 2000 Rosanna Avenue in Scranton, Pennsylvania; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. Term. Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the "**Term**") commenced on April 6, 2018 (the "**Commencement Date**") and shall end on December 7, 2033, subject to extension or earlier termination of this Lease as provided herein."

3. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Three Million Eight Hundred Thirty-Six Thousand Six Hundred Seventy Dollars (\$3,836,670.00) (the "**TI Allowance**")."

In addition, the final sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

4. Effective as of the date hereof, the monthly Base Rent shall equal One Hundred Twenty Thousand Dollars (\$120,000), and be subject to the Base Rent adjustments on each anniversary of the Commencement Date, as set forth in the Existing Lease.

5. Security Deposit. The Security Deposit is hereby increased by Seventy Five Thousand Dollars (\$75,000) to Seven Hundred Twenty Thousand Dollars (\$720,000). Concurrent with the effectiveness of this Amendment, Tenant shall deposit with Landlord the additional sum of Seventy-Five Thousand Dollars (\$75,000) as the additional Security Deposit.

In addition, the penultimate sentence in Section 6.4 of the Existing Lease is hereby amended and restated in its entirety as follows:

"The Security Deposit shall be reduced to Five Hundred Forty Thousand Dollars (\$540,000) on April 6, 2021, provided that no Default has occurred and is continuing on such date; the Security Deposit shall be further reduced to Three Hundred Sixty Thousand Dollars (\$360,000) on April 6, 2024, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to One Hundred Eighty Thousand Dollars (\$180,000) on April 6, 2027, provided that no Default has occurred and is continuing on such date."

6. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

7. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

8. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

9. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

10. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

11. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

12. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-PA 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer, Chief Accounting Officer and Treasurer

TENANT:

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

By: /s/ Ari Hoffnung
Name: Ari Hoffnung
Title: COO

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of this 14th day of January, 2020 (the "Amendment Effective Date"), by and between IIP-PA 1 LLC, a Delaware limited liability company ("Landlord"), and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of April 6, 2018 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated December 7, 2018 (the "First Amendment") and together with the Original Lease, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 2000 Rosanna Avenue in Scranton, Pennsylvania; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. Term, Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the "**Term**") commenced on April 6, 2018 (the "**Commencement Date**") and shall end on December 7, 2038, subject to extension or earlier termination of this Lease as provided herein."

3. TI Allowance, Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Eight Million Three Hundred Thirty-Six Thousand Six Hundred Seventy Dollars (\$8,336,670.00) (the "**TI Allowance**")."

In addition, Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall have until December 7, 2036 to request disbursement for the final installment of the TI Allowance, and may request no more than one (1) disbursement per month of the TI Allowance, with each disbursement (other than the final disbursement) being no less than Two Hundred Thousand Dollars (\$200,000.00). Landlord's obligation to disburse any of the TI Allowance shall be conditional upon Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter. In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Eight Million Dollars (\$8,000,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

4. Base Rent. Effective as of the Amendment Effective Date, the monthly Base Rent shall equal One Hundred Eighty Two Thousand Four Hundred Eighteen and 75/100 Dollars (\$182,418.75) and shall be subject to the Base Rent adjustments set forth in the Existing Lease on each anniversary of the Commencement Date.

5. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

6. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

7. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

8. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

9. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

10. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

11. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-PA 1 LLC,
a Delaware limited liability company

By: /s/ Brian Wolfe
Name: Brian Wolfe
Title: Vice President, General Counsel and Secretary

TENANT:

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CAO

THIRD AMENDMENT TO LEASE AGREEMENT

THIS THIRD AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into effective as of the 10th day of April, 2020 (the "Amendment Effective Date"), by and between IIP-PA 1 LLC, a Delaware limited liability company ("Landlord"), and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of April 6, 2018 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated December 7, 2018 (the "First Amendment"), and as further amended by that certain Second Amendment to Lease Agreement dated as of January 14, 2020 (the "Second Amendment") and together with the Original Lease and the First Amendment, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 2000 Rosanna Avenue in Scranton, Pennsylvania; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Eight Million Thirty-Six Thousand Six Hundred Seventy Dollars (\$8,036,670.00) (the "**TI Allowance**")."

In addition, the last sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Seven Million Seven Hundred Thousand Dollars (\$7,700,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

3. Base Rent. Effective as of the Amendment Effective Date, the monthly Base Rent shall equal One Hundred Eighty-Four Thousand Seven Hundred Eighty-Six and 31/100 Dollars (\$184,786.31) and shall be subject to the Base Rent adjustments set forth in the Existing Lease on each anniversary of the Commencement Date.

4. New Guaranty. Concurrently with the execution of this Amendment, Tenant shall cause Vireo Health International, Inc., a British Columbia, Canada corporation (the "New Guarantor"), to execute and deliver to Landlord a guaranty in the form attached as Exhibit A to this Amendment (the "New Guaranty"). From and after the date of this Amendment, all references in the Existing Lease to a "Guarantor" or the "Guarantors" shall include the New Guarantor and all references to a "Guaranty" or the "Guaranties" shall include the New Guaranty.

5. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

6. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

7. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

8. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

9. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

10. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

11. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-PA 1 LLC,
a Delaware limited liability company

By: /s/ Brian Wolfe
Name: Brian Wolfe
Title: Vice President, General Counsel and Secretary

TENANT:

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

By: /s/ Shawn Nugent
Name: Shawn Nugent
Title: CFO

EXHIBIT "A"

FORM OF NEW GUARANTY

[See Attached]

GUARANTY OF LEASE

This Guaranty of Lease ("**Guaranty**") is executed effective on the 10th day of April, 2020, by Vireo Health International, Inc., a British Columbia, Canada corporation ("**Guarantor**"), whose address for notices is c/o Pennsylvania Medical Solutions, LLC, 207 S 9th Street, Minneapolis, MN. 55402; Attn: Chief Financial Officer, in favor of IIP-PA 1 LLC, a Delaware limited liability company ("**Landlord**"), whose address for notices is 11440 West Bernardo Court, Suite 100, San Diego, California 92127, Attn: General Counsel.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor covenants and agrees as follows:

1. **Recitals.** This Guaranty is made with reference to the following recitals of facts which constitute a material part of this Guaranty:

- (a) Landlord, as Landlord, and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company, as Tenant ("**Tenant**"), entered into that certain Lease dated as of April 6, 2018, as amended from time to time (as so amended, the "**Lease**"), with respect to certain space in the building located at 2000 Rosanna Avenue, Scranton, Pennsylvania (the "**Leased Premises**").
- (b) Guarantor is the indirect parent entity of Tenant and is therefore receiving a substantial benefit for executing this Guaranty.
- (c) Landlord would not have entered into amendment to the Lease as of the date hereof with Tenant without having received the Guaranty executed by Guarantor as an inducement to Landlord.
- (d) By this Guaranty, effective retroactively to the commencement of the Lease, Guarantor intends to absolutely, unconditionally and irrevocably guarantee the full, timely, and complete (i) payment of all rent and other sums required to be paid by Tenant under the Lease and any other indebtedness of Tenant, (ii) performance of all other terms, covenants, conditions and obligations of Tenant arising out of the Lease and all foreseeable and unforeseeable damages that may arise as a foreseeable or unforeseeable consequence of any non-payment, non-performance or non-observance of, or non-compliance with, any of the terms, covenants, conditions or other obligations described in the Lease (including, without limitation, all attorneys' fees and disbursements and all litigation costs and expenses incurred or payable by Landlord or for which Landlord may be responsible or liable, or caused by any such default), and (iii) payment of any and all expenses (including reasonable attorneys' fees and expenses and litigation expenses) incurred by Landlord in enforcing any of the rights under the Lease or this Guaranty within five (5) days after Landlord's demand thereafter (collectively, the "**Guaranteed Obligations**").

2. **Guaranty.** Effective (including retroactively) for Guaranteed Obligations accruing before, on and after the Execution Date (as such term is defined under the Lease), Guarantor absolutely, unconditionally and irrevocably guarantees, as principal obligor and not merely as surety, to Landlord, the full, timely and unconditional payment and performance, of the Guaranteed Obligations strictly in accordance with the terms of the Lease, as such Guaranteed Obligations may be modified, amended, extended or renewed from time to time. This is a Guaranty of payment and performance and not merely of collection. Guarantor agrees that Guarantor is primarily liable for and responsible for the payment and performance of the Guaranteed Obligations. Guarantor shall be bound by all of the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant, the same as if Guarantor was named therein as Tenant with joint and several liability with Tenant, and any remedies that Landlord has under the Lease against Tenant shall apply to Guarantor as well. If Tenant defaults in any Guaranteed Obligation under the Lease, Guarantor shall in lawful money of the United States, pay to Landlord on demand the amount due and owing under the Lease. Guarantor waives any rights to notices of acceptance, modifications, amendment, extension or breach of the Lease. If Guarantor is a natural person, it is expressly agreed that this guaranty shall survive the death of such guarantor and shall continue in effect.

The obligations of Guarantor under this Guaranty are independent of the obligations of Tenant or any other guarantor. Guarantor acknowledges that this Guaranty and Guarantor's obligations and liabilities under this Guaranty are and shall at all times continue to be absolute and unconditional in all respects and shall be the separate and independent undertaking of Guarantor without regard to the genuineness, validity, legality or enforceability of the Lease, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Guaranty and the obligations and liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor hereunder or otherwise with respect to the Lease or to Tenant. Guarantor hereby absolutely, unconditionally and irrevocably waives any and all rights it may have to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or otherwise with respect to the Lease, in any action or proceeding brought by the holder hereof to enforce the obligations or liabilities of Guarantor under this Guaranty. This Guaranty sets forth the entire agreement and understanding of Landlord and Guarantor, and Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations or liabilities of Guarantor under this Guaranty. The obligations of Guarantor under this Guaranty shall be continuing and irrevocable (a) during any period of time when the liability of Tenant under the Lease continues, and (b) until all of the Guaranteed Obligations have been fully discharged by payment, performance or compliance. If at any time all or any part of any payment received by Landlord from Tenant or Guarantor or any other person under or with respect to the Lease or this Guaranty has been refunded or rescinded pursuant to any court order, or declared to be fraudulent or preferential, or are set aside or otherwise are required to be repaid to Tenant, its estate, trustee, receiver or any other party, including as a result of the insolvency, bankruptcy or reorganization of Tenant or any other party (an "Invalidated Payment"), then Guarantor's obligations under the Guaranty shall, to the extent of such Invalidated Payment be reinstated and deemed to have continued in existence as of the date that the original payment occurred. This Guaranty shall not be affected or limited in any manner by whether Tenant may be liable, with respect to the Guaranteed Obligations individually, jointly with other primarily, or secondarily.

3 . **No Impairment of Guaranteed Obligations.** Guarantor further agrees that Guarantor's liability for the Guaranteed Obligations shall in no way be released, discharged, impaired or affected or subject to any counterclaim, setoff or deduction by (a) any waiver, consent, extension, indulgence, compromise, release, departure from or other action or inaction of Landlord under or in respect of the Lease or this Guaranty, or any obligation or liability of Tenant, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect to the Lease or this Guaranty, (b) any change in the time, manner or place of payment or performance of the Guaranteed Obligations, (c) the acceptance by Landlord of any additional security or any increase, substitution or change therein, (d) the release by Landlord of any security or any withdrawal thereof or decrease therein, (e) any assignment of the Lease or any subletting of all or any portion of the Leased Premises (with or without Landlord's consent), (f) any holdover by Tenant beyond the term of the Lease (g) any termination of the Lease, (h) any release or discharge of Tenant in any bankruptcy, receivership or other similar proceedings, (i) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in bankruptcy or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provisions of any bankruptcy code or other statute or from the decision in any court, or the rejection or disaffirmance of the Lease in any such proceedings, (j) any merger, consolidation, reorganization or similar transaction involving Tenant, even if Tenant ceases to exist as a result of such transaction, (k) the change in the corporate relationship between Tenant and Guarantor or any termination of such relationship, (l) any change in the direct or indirect ownership of all or any part of the shares in Tenant, or (m) to the extent permitted under applicable law, any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of Guarantor or which might otherwise limit recourse against Guarantor. Guarantor further understands and agrees that Landlord may at any time enter into agreements with Tenant to amend and modify the Lease, and may waive or release any provision or provisions of the Lease, and, with reference to such instruments, may make and enter into any such agreement or agreements as Landlord and Tenant may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Landlord's rights hereunder or Guarantor's obligations hereunder, unless otherwise agreed in writing thereunder or under the Lease.

4. **Remedies.**

a) If Tenant defaults with respect to the Guaranteed Obligations, and if Guarantor does not fulfill Tenant's obligations immediately upon its receipt of written notice of such default from Landlord, Landlord may at its election proceed immediately against Guarantor, Tenant, or any combination of Tenant, Guarantor, and/or any other guarantor. It is not necessary for Landlord, in order to enforce payment and performance by Guarantor under this Guaranty, first or contemporaneously to institute suit or exhaust remedies against Tenant or other liable for any of the Guaranteed Obligations or to enforce rights against any collateral securing any of it. Guarantor hereby waives any right to require Landlord to join Tenant in any action brought hereunder or to commence any action against or obtain any judgment against Tenant or to pursue any other remedy or enforce any other right. If any portion of the Guaranteed Obligations terminates and Landlord continues to have any rights that it may enforce against Tenant under the Lease after such termination, then Landlord may at its election enforce such rights against Guarantor. Unless and until all Guaranteed Obligations have been fully satisfied, Guarantor shall not be released from its obligations under this Guaranty irrespective of: (i) the exercise (or failure to exercise) by Landlord of any of Landlord's rights or remedies (including, without limitation, compromise or adjustment of the Guaranteed Obligations or any part thereof); or (ii) any release by Landlord in favor of Tenant regarding the fulfillment by Tenant of any obligation under the Lease.

b) Notwithstanding anything in the foregoing to the contrary, Guarantor hereby covenants and agrees to and with Landlord that Guarantor may be joined in any action by or against Tenant in connection with the Lease. Guarantor also agrees that, in any jurisdiction, it will be conclusively bound by the judgment in any such action by or against Tenant (wherever brought) as if Guarantor were a party to such action even though Guarantor is not joined as a party in such action.

5 . **Waivers.** With the exception of the defense of prior payment, performance or compliance by Tenant or Guarantor or of or with the Guaranteed Obligations which Guarantor is called upon to pay or perform, or the defense that Landlord's claim against Guarantor is barred by the applicable statute of limitations, Guarantor hereby waives and releases all defenses of the law of guaranty or suretyship to the extent permitted by law.

6 . **Rights Cumulative.** All rights, powers and remedies of Landlord under this Guaranty shall be cumulative and in addition to all rights, powers and remedies given to Landlord by law.

7 . **Representations and Warranties.** Guarantor hereby represents and warrants that (a) Guarantor has goods and net worth that are sufficient to enable Guarantor to promptly perform all of the Guaranteed Obligations as and when they are due; (b) Landlord has made no representation to Guarantor as to the creditworthiness or financial condition of Tenant; (c) Guarantor has full power to execute, deliver and carry out the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance of this Guaranty; (d) Guarantor's execution and delivery of, and the performance of its obligations under, this Guaranty does not conflict with or violate any of Guarantor's organizational documents, or any contract, agreement or decree which Guarantor is a party to or which is binding on Guarantor; (e) the individual executing this Guaranty on behalf of Guarantor has the authority to bind Guarantor to the terms and conditions of this Guaranty; (f) Guarantor has been represented by counsel of its choice in connection with this Guaranty; (g) this Guaranty when executed and delivered shall constitute the legal, valid and binding obligations of Guarantor enforceable against Guarantor in accordance with its terms; and (h) there is no action, suit, or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before or by any governmental authority which questions the validity or enforceability of, or Guarantor's ability to perform under, this Guaranty.

8 . **Subordination.** In the event of Tenant's insolvency or the disposition of the assets of Tenant, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Tenant applicable to the payment of all claims of Landlord and/or Guarantor shall be paid to Landlord and shall be first applied

by Landlord to the Guaranteed Obligations. Any indebtedness of Tenant now or hereafter held by Guarantor, whether as original creditor or assignee or by way of subrogation, restitution, reimbursement, indemnification or otherwise, is hereby subordinated in right of payment to the Guaranteed Obligations. So long as an uncured event of default exists under the Lease, (a) at Landlord's written request, Guarantor shall cause Tenant to pay to Landlord all or any part of any funds invested in or loaned to Tenant by Guarantor which Guarantor is entitled to withdraw or collect and (b) any such indebtedness or other amount collected or received by Guarantor shall be held in trust for Landlord and shall forthwith be paid over to Landlord to be credited and applied against the Guaranteed Obligations. Subject to the foregoing, Guarantor shall be entitled to receive from Landlord any amounts that are, from time to time, due to Guarantor in the ordinary course of business. Until all of Tenant's obligations under the Lease are fully performed, Guarantor shall have no right of subrogation against Tenant by reason of any payments, acts or performance by Guarantor under this Guaranty.

9 . **Governing Law.** This Guaranty shall be governed by and construed in accordance with the laws of the State of Pennsylvania, United States of America, without regard to principles of conflicts of laws. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY.

10 . **Attorneys' Fees.** In the event any litigation or other proceeding ("**Proceeding**") is initiated by any party against any other party to enforce this Guaranty, the prevailing party in such Proceeding shall be entitled to recover from the unsuccessful party all costs, expenses, and actual reasonable attorneys' fees relating to or arising out of such Proceeding.

11. **Modification.** This Guaranty may be modified only by a contract in writing executed by Guarantor and Landlord.

12 . **Invalidity.** If any provision of the Guaranty shall be invalid or unenforceable, the remainder of this Guaranty shall not be affected by such invalidity or unenforceability. In the event, and to the extent, that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a co-tenant therein with joint and several liability.

13. **Successors and Assigns.** Unless otherwise agreed in writing or under the Lease, this Guaranty shall be binding upon and shall inure to the benefit of the successors-in-interest and assigns of each party to this Guaranty.

14. **Notices.** Any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in subsections (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one business (1) day after deposit with a reputable international overnight delivery service, if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Except as otherwise stated in this Guaranty, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Guaranty shall be addressed to Guarantor or Landlord at the address set forth above in the introductory paragraph of this Guaranty. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

15. **Waiver.** Any waiver of a breach or default under this Guaranty must be in a writing that is duly executed by Landlord and shall not be a waiver of any other default concerning the same or any other provision of this Guaranty. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

16. **Withholding.** Unless otherwise agreed in the Lease, any and all payments by Guarantor to Landlord under this Guaranty shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto (collectively, "**Taxes**"). If Guarantor shall be required by any applicable laws to deduct any Taxes from or in respect of any sum payable under this Guaranty to Landlord: (a) the sum payable shall be increased as necessary so that after making all required deductions, the Landlord receives an amount equal to the sum it would have received had no such deductions been made; (b) Guarantor shall make such deductions; and (c) Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws.

17. **Financial Condition of Tenant.** Landlord shall have no obligation to disclose or discuss with Guarantor Landlord's assessment of the financial condition of Tenant. Guarantor has adequate means to obtain information from Tenant on a continuing basis concerning the financial condition of Tenant and its ability to perform its Guaranteed Obligations, and Guarantor assumes responsibility for being and keeping informed of Tenant's financial condition and of all circumstances bearing upon the risk of Tenant's failure to perform the Guaranteed Obligations.

18 . **Bankruptcy.** So long as the Guaranteed Obligations remain outstanding, Guarantor shall not, without Landlord's prior written consent, commence or join with any other person in commencing any bankruptcy or similar proceeding of or against Tenant. Guarantor's obligations hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any bankruptcy or similar proceeding (voluntary or involuntary) involving Tenant or by any defense that Tenant may have by reason of an order, decree or decision of any court or administrative body resulting from any such proceeding. To the fullest extent permitted by law, Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay to Landlord or allow the claim of Landlord in respect of any interest, fees, costs, expenses or other Guaranteed Obligations accruing or arising after the date on which such case or proceeding is commenced.

19. **Conveyance or Transfer.** Without Landlord's written consent, Guarantor shall not convey, sell, lease or transfer any of its properties or assets to any person or entity to the extent that such conveyance, sale, lease or transfer could have a material adverse effect on Guarantor's ability to fulfill any of the Guaranteed Obligations.

20. **Financials.** To induce Landlord to enter into the Lease, Guarantor shall, within ninety (90) days after the end of Guarantor's financial year, furnish Landlord with a certified copy of Guarantor's year-end unconsolidated financial statements for the previous year, audited by a nationally recognized accounting firm. If audited financial statements are not otherwise prepared, then Guarantor may satisfy the requirement to provide audited financial statements by providing in lieu thereof unaudited financial statements prepared in accordance with GAAP and certified by the chief financial officer of Guarantor as correct and complete copies of such financial statements, fairly presenting Guarantor's financial condition as of the time set forth therein and having been prepared in accordance with GAAP. The provisions of this Section shall not apply at any time while Guarantor is traded on any nationally recognized Canadian or United States stock exchange.

21 . **Joint and Several Liability.** Guarantor's liability under this Guaranty shall be joint and several with any and all other Guarantors in accordance with the terms and conditions of the Lease.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be signed by its respective officer thereunto duly authorized, all as of the date first written above.

GUARANTOR

VIREO HEALTH INTERNATIONAL, INC.

By: _____
Name: _____
Title: _____

FOURTH AMENDMENT TO LEASE AGREEMENT

THIS FOURTH AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into effective as of the 25th day of August, 2020 (the "Amendment Effective Date"), by and between IIP-PA 1 LLC, a Delaware limited liability company ("Landlord"), and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of April 6, 2018 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated December 7, 2018 (the "First Amendment"), as further amended by that certain Second Amendment to Lease Agreement dated as of January 14, 2020 (the "Second Amendment"), and as further amended by that certain Third Amendment to Lease Agreement dated as of April 10, 2020 (the "Third Amendment") and together with the Original Lease, the First Amendment and the Second Amendment, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 2000 Rosanna Avenue in Scranton, Pennsylvania; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Ten Million Thirty-Six Thousand Six Hundred Seventy Dollars (\$10,036,670.00) (the "**TI Allowance**")."

In addition, the last sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Nine Million Seven Hundred Thousand Dollars (\$9,700,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

3. Base Rent. Effective as of the Amendment Effective Date, the monthly Base Rent shall be increased by Twenty-Three Thousand Three Hundred Thirty-Three and 33/100 (\$23,333.33) (the "Additional Base Rent") to equal Two Hundred Eight Thousand One Hundred Nineteen and 64/100 Dollars (\$208,119.64) and shall be subject to the Base Rent adjustments set forth in the Existing Lease on each anniversary of the Commencement Date; provided, however, that notwithstanding the foregoing, Tenant shall be entitled to receive an abatement equal to one hundred percent (100%) of the Additional Base Rent (i.e. \$23,333.33) for the first month following the Amendment Effective Date and a partial abatement equal to fifty percent (50%) of the Additional Base Rent (i.e. \$11,666.66) for the second and third months following the Amendment Effective Date.

4. Tenant's Property. The parties hereby agree to amend Tenant's list of personal property set forth on Exhibit B of the Existing Lease to remove the line item references to "racks" and "racking and shelving" from the list to the extent installed in the Premises on or after the Amendment Effective Date, it being expressly understood that all such racking and shelving installed on or after the Amendment Effective Date (and paid for by Landlord pursuant to the TI Allowance) in the Premises shall be deemed Landlord's property. For the avoidance of doubt, metal moveable (rolling) tables or benches are neither "racks" or "racking and shelving" and are, in any event, excluded from Exhibit B of the Existing Lease.

5. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

6. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

7. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

8. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

9. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

10. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal

capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

11. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-PA 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer, Chief Accounting Officer and Treasurer

TENANT:

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

By: /s/ Louis J. Barack
Name: Louis J. Barack
Title: Authorized Representative

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FIFTH AMENDMENT TO LEASE AGREEMENT

THIS FIFTH AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of March 31, 2021 to be effective as of April 1, 2021 (the "Amendment Effective Date"), by and between IIP-PA 1 LLC, a Delaware limited liability company ("Landlord"), and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of April 6, 2018 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated December 7, 2018 (the "First Amendment"), as further amended by that certain Second Amendment to Lease Agreement dated as of January 14, 2020 (the "Second Amendment"), as further amended by that certain Third Amendment to Lease Agreement dated as of April 10, 2020 (the "Third Amendment") and as further amended by that certain Fourth Amendment to Lease Agreement dated as of August 25, 2020 (the "Fourth Amendment") and together with the Original Lease, the First Amendment, the Second Amendment and the Third Amendment, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 2000 Rosanna Avenue in Scranton, Pennsylvania; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. TI Allowance. Subject to the terms and conditions set forth in the Lease, Landlord has agreed to increase the TI Allowance available to Tenant by Thirty Million Dollars (\$30,000,000.00) (the "Additional TI Allowance") for the construction of additional Tenant Improvements to the Premises. Accordingly, the first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "Tenant Improvements") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "Work Letter") at a cost to Landlord not to exceed Forty Million Thirty-Six Thousand Six Hundred Seventy Dollars (\$40,036,670.00) (the "TI Allowance")."

In addition, the last sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Thirty-Nine Million Five Hundred Thousand Dollars (\$39,500,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

3. Base Rent. Notwithstanding anything in the Existing Lease to the contrary, in consideration of the Additional TI Allowance, commencing on the Amendment Effective Date, the monthly Base Rent shall be increased by Twenty-Two Thousand Nine Hundred Sixteen and 67/100 Dollars (\$22,916.67) each month for the twelve (12) month period following the Amendment Effective Date (the "Base Rent Adjustment Period") for an aggregate increase to Base Rent in the amount of Two Hundred Seventy-Five Dollars (\$275,000.00) (the "Additional Base Rent"), subject to adjustment as set forth in this Section 3. For illustrative purposes, the chart below sets forth the incremental increases to Base Rent to account for the Additional Base Rent to be phased in during the Base Rent Adjustment Period. The Additional Base Rent shall be subject to an annual upward adjustment of two percent (2%) of the then-current Additional Base Rent, which adjustment shall become effective commencing on the second annual anniversary of the Amendment Effective Date, and subsequent adjustments shall become effective on every successive annual anniversary for so long as the Lease remains in effect. Notwithstanding anything in the Existing Lease to the contrary, the Additional Base Rent shall not be subject to the adjustments set forth in Section 6.5 of the Existing Lease.

Base Rent Adjustment Period	Amount of Additional Base Rent
4/1/21 - 4/30/21	\$ 22,916.67
5/1/21 - 5/31/21	\$ 45,833.33
6/1/21 - 6/30/21	\$ 68,750.00
7/1/21 - 7/31/21	\$ 91,666.67
8/1/21 - 8/31/21	\$ 114,583.33
9/1/21 - 9/30/21	\$ 137,500.00
10/1/21 - 10/31/21	\$ 160,416.67
11/1/21 - 11/30/21	\$ 183,333.33
12/1/21 - 12/31/21	\$ 206,250.00
1/1/22 - 1/31/22	\$ 229,166.67
2/1/22 - 2/28/22	\$ 252,083.33
3/1/22 - 3/31/22	\$ 275,000.00

4. Property Management Fee. Notwithstanding Section 6.3.4 of the Existing Lease, there shall be no "Property Management Fee" applied against the Additional Base Rent prescribed by this Amendment. For the avoidance of doubt, this does not affect the Property Management Fee associated with the Base Rent in effect (inclusive of future escalations) prior to the Amendment Effective Date.

5. Tenant Improvements Review Fee; Alteration Fee. Section 5.1(b) of the Existing Lease is hereby deleted in its entirety and the following is inserted in replacement thereof: "(b) Landlord's project review, which fee shall equal the reasonable, third party costs actually incurred by Landlord in connection with its project review". Further, Section 9.6 of the Existing Lease is hereby deleted in its entirety and the following is inserted in replacement thereof: "Tenant shall reimburse Landlord for all reasonable, third-party costs actually incurred by Landlord in connection with any Alterations, including any non-structural Alterations that do not require Landlord's prior consent." For the avoidance of doubt, this does not affect any project review fees paid by Tenant prior to the Amendment Effective Date.

6. Security Deposit. Section 6.4 of the Existing Lease is hereby amended and restated in its entirety as follows:

"On or before the Execution Date of this Lease, Tenant shall deposit with Landlord a security deposit (the "**Security Deposit**") in cash in the amount of Seven Hundred Twenty Thousand Dollars (\$720,000), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the Term. Landlord shall not be required to maintain a separate account for the Security Deposit, but may intermingle it with other funds of Landlord. If Tenant defaults with respect to any provision of this Lease (and any such default is not remedied within applicable cure periods), then without notice to Tenant, Landlord may (but shall not be required to) apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default. If any portion of the Security Deposit is so used or applied, then Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, then the unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby irrevocably waives and relinquishes any and all rights, benefits, or protections, if any, Tenant now has, or in the future may have under any provision of law which (i) establishes the time frame by which a landlord must refund a security deposit under a lease, or (ii) provides that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant, or to clean the subject premises. Tenant acknowledges and agrees that (A) any statutory time frames for the return of a security deposit are superseded by the express period identified in this Section 6.4, and (B) rather than be so limited, Landlord may claim from the Security Deposit (i) any and all sums expressly identified in this Section 6.4, and (ii) any additional sums reasonably necessary to compensate Landlord for any and all losses or damages caused by Tenant's default of this Lease, including, but not limited to, all damages or rent due upon termination of this Lease. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings."

7. Permitted Transfer. The first sentence of Section 16.8 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant may assign its entire interest under this Lease or sublease all or a portion of the Premises without the consent of Landlord to: (i) an affiliate, subsidiary or parent of Tenant; (ii) any entity into which that Tenant or an affiliated party may merge or consolidate; (iii) any entity that acquires all or substantially all of the assets of Tenant; each a "**Permitted Transfer**" and such transferee a "**Permitted Transferee**", provided that (a) Tenant notifies Landlord at least twenty (20) days prior to the effective date of any such Permitted Transfer, (b) Tenant is not in default and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (c) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to the Net Worth of the original Tenant on the day immediately preceding the effective date of such assignment or sublease and reasonably sufficient to comply with the obligations under this Lease, (d) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, (e) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant and each Guarantor; and (f) the ultimate parent company of any Permitted Transferee executes a Guaranty in favor of Landlord substantially in the form attached hereto as Exhibit D, provided such Guaranty shall not be required in the event Jushi Holdings Inc. is purchased by an unrelated third party and Jushi Holdings Inc.'s asset and subsidiary portfolio is substantially similar to what it was prior to the Permitted Transfer."

8. Tenant Work Insurance Schedule. Exhibit E-1 of the Existing Lease is hereby deleted in its entirety and replaced with Exhibit E-1 attached to this Amendment.

9. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

10. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

11. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

12. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

13. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

14. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

15. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-PA 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: CFO/Treasurer

TENANT:

PENNSYLVANIA MEDICAL SOLUTIONS, LLC,
a Pennsylvania limited liability company

By: Jon Barack
Name: Jon Barack
Title: President

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EXHIBIT E-1

TENANT WORK INSURANCE SCHEDULE

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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**AMENDED & RESTATED
LEASE AGREEMENT**

LESSOR: CSS I LLC ("Lessor")

LESSEE: Nature's Remedy of Massachusetts ("Lessee")

BUILDING: 310 Kenneth Welch Drive, Lakeville, MA 02347
("Building" or "Property")

PREMISES: Units 1,2,3, 5 (portion) and 6 of the CSS Commercial Condominium, consisting of **79,500 ± rentable square feet, more or less of the Building, as depicted on attached Plan marked as Exhibit A**

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LEASE AGREEMENT

LEASE AGREEMENT between CSS I LLC a Massachusetts-corporation having a usual place of business at 310 Kenneth Welch Drive, Lakeville, MA 02347 (hereinafter called "**Lessor**"), and VALIANT ENTERPRISES, LLC a Massachusetts limited liability company with an address of 110 Turnpike Road, Suite 114, Westborough, MA 01581 (hereinafter called "**Lessee**"). This Lease Agreement is also referred to as "the Lease," and hereby supersedes, modifies and replaces the Lease and all addenda originally dated by Lessor (including Synergic Hydroculture Management as the Lessor, a party in interest prior to the stated Lessor) and Lessee on January 26, 2018-, as- well as-any other Addenda; modifications- or agreements between the Lessor (including Synergic Hydroculture Management, LLC) and Lessee. For good and valuable consideration received, the Lessor and Lessee hereby agree to this Lease as follows.

**ARTICLE 1
Premises - Term of Lease- Lessor's Work**

Section 1.01. Upon and subject to the conditions and-limitations-hereinafter set forth, Lessor does hereby lease and demise unto Lessee and Lessee does hereby lease from Lessor at 310 Kenneth Welch Drive, Lakeville, Massachusetts (the "**Building**") the approximately 79,500 rentable square feet of space shown on Exhibit A, hereto located at the Building and (the "**Premises**"). The Premises are identified as Units 1,2,3, 5 (portion) and 6 of the CSS Commercial Condominium. The Premises shall include at no additional cost Fifty (50) parking spaces dedicated to the Lessee adjacent to the Building, plus all the circle drive located in the front of the facility. Six-(6) spots across from 308-Kenneth Welch Drive, which will be marked by lessor are excluded and held by lessor as well as two (2) marked spots for access to generator room.

Lessee shall have the right to use, and permit its invitees to use, in common with other tenants and invitees, the exterior parking areas, walkways and driveways, and other common spaces necessary to access the Premises (the "**Common Areas**").

Section 1.02. The original term (the "**Original Term**") of this Lease shall be for 10 years and commence on.

Section 1.03. Lessee's Rent Commencement Date (as hereinafter defined) "**Rent Commencement Date**" obligation to pay Base Rent and Additional Rent shall commence on the dates provided in Exhibit C with payments as determined in Section 2.01. The expiration date of this-Lease shall be December 31, 2028-with two (2) additional five (5) year options to be exercised at the sole discretion of Lessee.

THIS LEASE IS MADE UPON THE FOLLOWING COVENANTS, AGREEMENTS, TERMS, PROVISIONS, CONDITIONS AND LIMITATIONS, ALL OF WHICH LESSEE AND LESSOR COVENANTS AND AGREES TO PERFORM AND COMPLY WITH:

ARTICLE 2

Rent

Section 2.01. The Lessee covenants and agrees to pay to Lessor minimum rent ("**Base Rent**") for said Premises in accordance with Exhibit C

As used herein, the term "**Lease Year**" shall mean each consecutive twelve (12) month period, beginning on the Rent Commencement Date (the "Rent Commencement Date") of May 1, 2020.

The Base Rent shall increase during the term on each anniversary of the Rent Commencement Date by 2%, beginning on January 1, 2021 ("Annual Escalator").

Lessor and Lessee expressly agree that the Base Rent is inclusive of all real estate taxes and other municipal or public assessments, except those relating to Lessee's furniture, fixtures & equipment, and leasehold improvements paid by Lessee; and also including maintenance, repair, and any and all upgrade costs for the septic system that may be needed now or in the future. Specifically excluded are changes required due to the alteration of lessee's operation such as increases in personal above 200 employees or changes in operational discharge above 8,000 gallons per day. Also, specifically excluded are changes mandated by outside agencies such as state and local regulatory bodies due to the nature of lessee's operation.

Rent for any partial month shall be prorated and paid on the first of that month. All monthly payments are due and payable in advance on the first day of each calendar month, without demand, deduction, counterclaim or setoff, except as specifically provided herein.

Section 2.02. In addition to Base Rent the Lessee shall pay additional rent ("**Additional Rent**") to the Lessor which Additional Rent shall mean the total metered Utility Cost, or those costs or fees expressly identified in this Lease as Additional Rent. Any Additional Rent shall be payable by Lessee to Lessor on the first of the month.

Section 2.03. All references herein to "Rent" or "rent" shall mean Base Rent and Additional Rent. All payments of Base Rent and Additional Rent shall be made to the Lessor at, CSS I LLC, 310 Kenneth Welch Drive, Lakeville, MA 02347, Attn: Thomas Parenteau, or as may be otherwise directed by the Lessor in writing.

ARTICLE 3-

Utility Services; Security; Additional Rent

Section 3.01. As of the Target Delivery Date, electricity, water and gas shall be available to the Premises. As of the Rent Commencement Date, Lessor shall provide electric, hot and cold potable water, gas, heating, ventilation and air conditioning, dehumidification, septic/sewer, including those services set forth on Exhibit D which shall be installed, serviced and maintained by lessor in accordance with the provided specifications (the "**Required Service Levels**").

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Notwithstanding anything to the contrary contained in this Lease, in the event there is a failure of any of the Required Service Levels, Lessor shall take all steps necessary to rectify on an expedited basis such failure and shall in any event respond no later than 1 (1) hour after notification from Lessee to Lessor of such failure. Any upgrades done by Lessee to such systems after the Rent Commencement Date shall be done in accordance with this Lease and all applicable State and City laws and will not cause an increase in Lessor's insurance premiums (unless Lessee agrees to pay such increase).

The estimate of the gas and electric utility costs in connection with Lessee's use of electricity and gas in the Premises is attached hereto as Exhibit E (the "**Utility Cost Estimation**"). The Lessor shall install, simultaneously with the performance of Lessor's Work, separate electric and gas utility meters for the Premises.

In the event that Lessee requires additional-electrical capacity, upon Lessor's consent to expand the electrical capacity of the Premises, which consent shall not be unreasonably withheld, conditioned or delayed, Lessor shall provide and install additional risers required to supply Lessee's electrical requirements and all other equipment necessary in connection therewith and the cost thereof shall be paid by Lessee within thirty (30) days after being billed therefor.

Section 3.02. Lessor shall keep in good repair and provide all maintenance, repair and services to the Common Areas and for the Building systems serving the Premises (exclusive of any portion of such systems exclusively serving any particular premises) including, parking lot maintenance and repair (e.g. snowplowing, sweeping, striping, etc.) exterior lighting, roof, and other similar contract services.

Section 3.03. Lessee shall have the right to install a security system serving the Premises and to the extent required by applicable State and City laws shall install the same. The installation and maintenance thereof shall be paid for solely by the Lessee.

Section 3.04. Lessor shall provide to Lessee, at additional cost, shafts, conduits and risers in the Building as may be required by Lessee for its equipment and operations in the Premises, including for any connections from the entry point into the Building of telecommunication systems to the Premises.

ARTICLE 4

Insurance

Section 4.01. The Lessee shall maintain with respect to the Premises Commercial General Liability insurance in the amount of at least \$1,000,000.00 combined single limit, bodily injury and property damage per occurrence; \$2,000,000.00 annual aggregate with a deductible of no more than \$5,000.00, with companies having Best Insurance Guide Rating of A- or better, qualified to do business in Massachusetts and in good standing therein, insuring the Lessor and its mortgagee as an additional insured and Lessee as the named insured against injury to persons or damage to property. The Lessee shall also maintain property insurance on Lessee's equipment and personal property. The Lessee shall deposit with the Lessor certificates of such insurance at or prior to the Rent Commencement Date, and thereafter, at least ten (10) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policy shall not be canceled or modified without the insurer endeavoring to give at least twenty (20) days prior written notice to each insured named therein and that Lessor and its mortgagee shall each be named as an additional insured.

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Section 4.02. The Lessor shall maintain Commercial General Liability insurance in the amount of at least \$1,000,000.00 combined single limit, bodily injury and property damage per occurrence; \$2,000,000.00 annual aggregate covering the Building, including the land and buildings of which the Premises are a part. Lessor shall maintain property insurance on the Building (including the Premises, Lessor's Work and any alterations by Lessee), in the amount of its full replacement value thereof.

Section 4.03. Notwithstanding anything in this Lease to the contrary, Lessor and Lessee agree that their property insurance policies shall contain waiver of subrogation provisions. Each of Lessor and Lessee, on behalf of itself and its insurers, hereby, waives all rights of subrogation and recovery against the other with respect to any damage to property to the extent covered or required to be covered by property insurance maintained by the waiving party.

ARTICLE 5
Use of Premises

Section 5.01. Use. Lessee shall be permitted to use the Premises- solely for the cultivation, processing and sale of marijuana and marijuana products in its operations of a Registered Marijuana Dispensary, and operations reasonably accessory thereto, ("RMD") in strict compliance with the Massachusetts Act for the Humanitarian Medical Use of Marijuana, Ch. 369 of the Acts of 2012 and with the Regulations promulgated by the Commonwealth of Massachusetts Department of Public Health ("MDPH") thereunder at 105 CMR 725.000 *et seq.* and any State and City laws in effect relating to RMDs, including, without limitation, such statutes and regulations as are enacted or promulgated in accordance with the law approved by initiative petition on November 8, 2016: Question 4: Legalization, Regulation, and Taxation of Marijuana, as the same may from time to time be amended (collectively, the "Massachusetts Marijuana Law"), and ancillary and auxiliary uses directly related thereto (the "**Permitted Use**"). Permitted Use shall also include uses and operations accessory to a Marijuana Establishment, as defined, allowed and regulated under 935 CMR 500, 501, and 502: Adult Use Marijuana, Medical Use Marijuana, and Co-Located Adult and Medical Use Marijuana, or legislation, statutes, and regulations succeeding those statutes. Lessee shall have access to-the Premises twenty four (24) hours per day, seven (7) days per week.

Lessee shall be solely and exclusively responsible to using good faith obtain all necessary licenses, registrations, certifications, permits, and approvals from the Commonwealth of Massachusetts (the "**State**"), the MDPH, the Cannabis Control Commission, and the Town of Lakeville (the "**City**") at its sole cost and expense for the operation of the RMD and the cultivation and processing activities at the Premises (the foregoing licenses, registrations, certifications, permits, and approvals, hereinafter referred to as the "**Lessee's Required Approvals**"). Lessee shall not conduct its business in the Premises or in the Building other than in strict compliance with all applicable State and City laws, including the Massachusetts Marijuana Law.

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Section 5.02. Lessee will not make or permit any occupancy or use of any part of the Premises for any noxious or unlawful occupation, trade, business or purpose or any occupancy or use thereof which is contrary to any applicable State and City law, by-law, ordinance, rule, permit or license, and will not cause, maintain or permit any nuisance in, at or on the Premises. The Lessee hereby agrees not to maintain or permit noises, odors, operating methods, or conditions of uncleanness of the Premises or any appurtenance thereto which are reason-ably objectionable to Lessor or neighbors of the Premises. No hazardous substances shall be brought, kept or maintained on the Premises except in compliance with applicable Environmental Laws. No hazardous substances in violation of Environmental Laws shall be stored or discharged on the Premises, excluding marijuana waste, which shall be handled, stored and disposed of in compliance with all applicable State and City laws, including the Massachusetts Marijuana Law. Lessee shall handle and store all supplies, chemicals and plants in accordance with all applicable RMD practices-. Les-see's use of the Premises- for the Permitted Us-e and as-contemplated under this Lease shall not be deemed objectionable or in violation of any of the foregoing.

Section 5.03. Lessee and Lessor shall indemnify, defend with counsel reasonably acceptable to the other party and hold harmless the other and the other's directors and partners, harmless from and against any and all actual, reasonable and out of cost liability, loss, suits, claims, actions, causes of action, proceedings, demands, costs, penalties, damages, fines and expenses-, including, without limitation, reasonable attorneys' fees, consultants' fees, laboratory fees and cleanup costs, and the costs and expenses of investigating and defending any claims or proceedings, resulting from (i) the presence of Hazardous Materials on the Premises or the Building caused by Lessee or Lessor, as applicable, or the generation, storage, treatment, handling, transportation, disposal or release by Lessee or Lessor, as applicable, of any Hazardous Materials on the Premises or the Building in violation of any applicable Environmental Laws regarding Hazardous Materials. This hold harmless and indemnity shall survive for two (2) years from the expiration or earlier termination of the -term of this Lease. "**Hazardous Materials**" shall mean any biologically or chemically active or other toxic or hazardous wastes, pollutants or substances, including, without limitation, asbestos, PCBs, petroleum products and by-products, substances defined or listed as "**hazardous substances**" or "toxic substances" or similarly identified in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, and as hazardous wastes under the Resource Conservation and Recovery Act, 42 U.S.C. § 6010, *et seq.*, any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as- amended, 15 U.S.C. § 2601, *et seq.*, any "toxic pollutant" under the Clean Water Act, 33 U.S.C. § 466 *et seq.*, as amended, any hazardous air pollutant under the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, hazardous materials identified in or pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, *et seq.* ("**Environmental Laws**"). Hazardous Materials for purposes of this Lease shall expressly exclude any marijuana and related cultivation substances or materials permitted under the Massachusetts Marijuana Law.

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Section 5.04. Lessor shall promptly remediate at its sole cost and expense and inaccordance with applicable laws, anyasbestos-containing materials ("**ACM**")or Hazardous Materials existing in the Premises or discovered in the Premises during the performance of Lessor's Work, Lessee's Work or at any other time discovered in the Premises during the term, so long as such ACM or Hazardous Materials was not introduced by Lessee. Any such work of removal, remediation and abatement shall be conducted in such manner as to minimize interference with the conduct of Lessee's business in the Premises and during any such period of remediation hereunder, Rent shall abate for each day that Lessee is (x) unable to use the Premises or any portion thereof for the normal conduct of its business or (y) delayed in the performance of Lessee's work or occupancy of the Premises.

Section 5.05. No sign, antenna or other structure or thing, shall be erected or placed on the Premises or any part of the exterior of any building or on the land comprising the Premises or erected by Lessee without Lessee first securing licenses and permits required therefor. All signs shall be in compliance with all applicable municipal regulations and professionally prepared, installed, maintained and repaired by Lessee at its sole cost and expense and shall be sightly and consistent with and only advertise the business conducted at the Premises. Lessee shall have the right to have signs which do not exceed current signage at the Building; the location of such signage shall be on the main signage monument for the Building, any directional signage locations and the entrance way and entrance doors of the Premises, and otherwise in locations to be mutually agreed between Lessor and Lessee.

Section 5.06. Lessee will not cause or permit any waste, overloading, stripping, damage, disfigurement or injury of or to the Premises or the Premises or any part thereof

ARTICLE 6
Compliance with Legal Requirements

Section 6.01. Throughout the term of this Lease, Lessee, at its sole cost and expense, will promptly comply with all requirements of all applicable State and City laws related specifically to Lessee's specific use and occupation of the Premises or with respect to any modifications or renovation to the Premises performed by Lessee and not to the Premises- generally, including but not limited to the Massachusetts Marijuana Law and the Americans with Disability Act, and will procure and maintain all Lessee's Required Approvals for the lawful and proper operation, use and maintenance of the Premises or any part thereof Lessee shall in each and every event and instance, at its sole cost and expense, be responsible for compliance with all codes and regulations with respect or relating to Lessee's specific use of the Premises, including, without limitation, those occasioned by work performed by, for or with consent of Lessor at the Premises, provided however Lessee shall not be responsible to make structural changes to the Building or the Premises or make alterations to the systems serving the Premises (excluding any structural changes or systems alterations which may be required after the Rent Commencement Date and only to the extent necessitated by alterations to the Premises performed by Lessee). However, in no case shall Lessee be responsible for the cost of work that is performed by Lessor to comply with the terms of the lease. Lessor agrees to reasonably cooperate with Lessee, at no cost to Lessor unless otherwise provided in this

Lease, in any necessary applications for any licenses, permits, variances-, approvals and consents from any federal-, state or local institution or governmental or regulatory agency or in obtaining any preferred pricing in respect of services or utilities in connection with Lessee's use and occupancy of the Premises, the Permitted Use, Lessee's Work, and any Lessee alterations.

Section 6.02. Lessee shall promptly notify the Lessor in writing of any written notice of a violation by Lessee of the Massachusetts Marijuana Law which Lessee receives from the MDPH.

Section 6.03. Lessee, at Lessee's sole cost and expense and after notice to Lessor, may contest, by appropriate proceedings prosecuted diligently and in good faith, the legality or applicability of any laws- affecting the Premises.

ARTICLE 7 Renovation, Condition, Repairs and Maintenance Premises

Section 7.01. After completion of the Lessor's Work, Lessee shall, at its sole cost and expense, complete any and all work required of it to place and maintain the Premises as a reputable facility consistent with the operations of the Building. Lessee acknowledges that except as specifically set out in the Lessor's Work and as called for below or expressly provided in this Lease, Lessor has not agreed to perform any work with respect to the fit-up, fixturing, improving, equipping or furnishing the Premises.

Section 7.02. Throughout the term of this Lease, the Lessee agrees to maintain all portions of the Premises including the Lessor's Work in the same condition as they are in on the Rent Commencement Date or as- they may be put in during the term of this Lease, reasonable wear and tear and damage by fire or other insured casualty only excepted, and whenever necessary, to replace bulbs and ballasts in lighting fixtures. Lessee shall maintain, in good condition, all improvements and alterations made by it as well as the Lessor's Work. Lessee shall make all repairs, alterations, additions or replacements to the Premises required by any applicable State and City law or ordinance, or other rule or regulation each if and to the extent required under Article 6 above, and shall keep the Premises equipped with all safety appliances and equipment required by such rule, regulation or law.

Section 7.03. Lessee shall not dump, flush or in any way introduce any hazardous substances or any other toxic substances into the septic, sewage or other waste disposal system serving the Premises in violation of applicable law.

Section 7.04. Subject to Section 7.08, Lessor, or prospective lenders of Lessor, at reasonable times and on reasonable prior written notice of not less than seventy-two (72) hours, shall be permitted to enter upon the Premises-, accompanied by a representative of Lessee, to examine the condition thereof, to make repairs, alterations and additions as necessary, provided however, that any such repairs, alterations and additions shall not in any way modify the configuration or dimensions of the Premises or increase Lessee's obligations or decrease Lessee's rights under this Lease.

Section 7.05. Subject to Section 7.08, Lessor shall operate, maintain, repair, manage and clean all interior and exterior Common Areas (but specifically excluding any area designated by Lessee as limited access area of the RMD) and maintain and repair the Property and the Building and all structural and non-structural components thereof (including, without limitation, the foundation, roof, roof covering, structural floors, joists, interior load bearing walls, exterior walls of the Building) and all Building systems including mechanical, electrical, plumbing components of the Building (not exclusively serving any tenants) in a manner consistent with first class commercial facility in compliance with all applicable laws. Without limiting the foregoing, Lessor shall maintain and keep clean all parking areas, remove snow therefrom with reasonable dispatch when required, provide adequate lighting and drainage for the parking areas during normal business hours, and maintain all landscaping in a neat and orderly condition.

Lessee shall at its cost and expense repair any damage caused to the Premises by it or its licensees, invitees, guests, agents or employees or anyone acting by, through or under Lessee.

Section 7.06. Notwithstanding anything to the contrary contained in this Lease, if Lessee is unable to use the Premises or any portion thereof for the normal conduct of its business for a period in excess of three (3) business days (and with written notice of such interruption to Lessor) as a result of any interruption in services or access- or repairs permitted, or required, to be performed by Lessor under this Lease, or, in the case of a failure of any of the Required Service Levels, forty-eight (48) hours (and with written notice of such interruption to Lessor), then, unless required as a result of Force Majeure (as hereinafter defined), there shall be an abatement of Rent commencing on such third day, or second (2nd) day, as applicable, until Lessee is again able to use the Premises or portion thereof for the normal conduct of its business or such Service Level Requirement is restored.

Section 7.07. Notwithstanding anything to the contrary contained in this Lease, and in addition to the other rights and remedies of Lessee set forth herein, in the event that Lessor defaults in any of its obligations under this Lease after thirty (30) days (or twenty-four (24) hours in connection with Required Service Levels) written notice thereof, Lessee shall have the right, at its election, to take such actions as are reasonably necessary to prevent or mitigate damages or injury to persons or property arising out of the need for repairs or maintenance of the Premises or the need to maintain the Required Service Levels, at the cost and expense of Lessor. Lessor shall reimburse Lessee for any such costs and expenses that it incurs in taking such actions, together with interest thereon at the Lease Interest Rate (as hereinafter defined) from the date such costs and expenses were incurred, within thirty (30) days after receipt of a statement therefor. In the event Lessor fails to reimburse Lessee within such thirty (30) days, Lessee shall have the right to automatically deduct such amount from the immediately succeeding installments of Base Rent.

Section 7.08-. Notwithstanding anything to the contrary contained in this Lease, access to the Premises by any persons other than Lessee and its agents and representatives shall not be permitted unless (a) all such persons accessing the Premises is escorted by a Lessee's authorized dispensary agent and be issued a visitor identification badge, (b) all such access is done in a manner that does not interfere with Lessee's operations, (c) all such access shall be subject to the security and safety rules and procedures of Lessee, and (d) all such access shall be pursuant to the Massachusetts Marijuana Law or as specifically directed in each case by the Massachusetts Department of Public Health (the "Access Protocol").

ARTICLE 8 Alterations and Additions

Section 8.01. The Lessee shall not make any structural or exterior alterations or additions to the Premises without first obtaining the written consent of Lessor on each

occasion which consent which shall not be unreasonably withheld, delayed or conditioned. It shall not be reasonable for Lessor to, among other things, withhold consent to alterations below in this Section 8.01 if Lessee agrees, at Lessee's cost, to remove such alterations upon the termination of this Lease. Wherever consent is required, it shall include approval of plans and reasonable approval of contractors. Lessor shall respond to Lessee within five (5) days of any request for consent. In the event Lessor fails to timely respond to Lessee's request for consent, approval of plans and specifications or other related request, or any resubmission of any of the foregoing, then Lessor's consent shall be deemed approved with respect to the work, alteration or improvement for which Lessee had sought approval. Lessee may make interior non-structural changes for its Permitted Use as it may deem necessary without Lessor consent provided all such allowed alterations shall be made at Lessee's expense, in compliance with all applicable State and City laws, and shall be in quality at least equal to the present construction. Notwithstanding anything to the contrary contained in this Section 8.01 or this Lease, the Lessee shall have the right at any time during the term of this Lease without Lessor's consent to make alterations and perform work on or about the Premises, the Building and the Property, including, without limitation, the installation of security, electrical, plumbing, HVAC, waste disposal and lighting systems, necessary to comply with all applicable State and City laws including the Marijuana Law and to maintain Lessee's business operations in the Premises for the Permitted Use. Upon termination of this Lease, such alterations or additions shall remain at the Premises unless Lessee elects, at Lessee's sole cost and expense, with minimal disturbance to the Premises, to remove all or any part thereof, and any and all damage caused by such installation and/or removal shall be repaired to the condition existing prior to such installation (reasonable wear and tear excepted), at Lessee's sole cost and expense. Notwithstanding the preceding sentence, Lessee shall be required at the termination of the Lease for any reason to remove all its property, additions or alterations within ten (10) days of its receipt of Lessor's notice for it to do so.

ARTICLE 9

Discharge of Liens

Section 9.01. Lessee will not create or permit to be created or to remain, and will within forty-five (45) days after written notice thereof discharge or bond over, at its sole cost and expense any lien, encumbrance or charge (on account of any mechanic's, laborer's, materialmen's or vendor's lien, or any mortgage, or otherwise) made or suffered by Lessee which become a lien, encumbrance or charge upon the Premises or any part thereof upon Lessee's leasehold interest therein, having any priority or preference over or ranking on a parity with the estate, rights and interest of Lessor in the Premises or any part thereof, or the rents, issues, income or profits accruing to Lessor therefrom.

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ARTICLE 10

Subordination

Section 10.01.

- (a) If any holder of a mortgage or holder of a ground lease of property which includes the Premises and executed and recorded subsequent to the date of this Lease, shall so elect, the interest of the Lessee hereunder shall be subordinate to the rights of such holder, provided that as a condition of such subordination, such holder provides a commercially reasonable non-disturbance agreement reasonably acceptable to Lessee in which such holder shall agree to recognize in writing **all** of the terms and conditions of the Lease, subject to the provisions of this Article 10, Lessee shall, as part of said non-disturbance agreement execute a commercially reasonable attornment agreement reasonably acceptable to Lessee; or
- (b) If any holder of a mortgage or holder of a ground lease of property which includes the Premises shall so elect, this Lease, and the rights of the Lessee hereunder, shall be superior in right to the rights of such holder, with the same force and effect as if this Lease had been executed and delivered, and recorded, or a statutory notice hereof recorded, prior to the execution, delivery and recording of any such mortgage.

Any election as to Subsection (b) above shall become effective upon either notice from such holder to the Lessee in the same fashion as notices from the Lessor to the Lessee are to be given hereunder or by the recording in the appropriate registry or recorder's office of an instrument, in which such holder subordinates its rights under such mortgage or ground lease to this Lease.

Lessor shall as a condition precedent to this Lease and within thirty (30) days after the receipt of Lessee's Required Approvals deliver to Lessee a commercially reasonable attornment and non-disturbance agreement reasonably acceptable to Lessee from the holder of each existing mortgage or ground lease in favor of Lessee, in which such holder shall agree to recognize in writing all of the terms and conditions of the Lease, subject to the provisions of this Article 10. Notwithstanding the foregoing, Lessor shall have an additional ten (10) days to deliver to Lessee the foregoing attornment and non-disturbance agreements provided that Lessor shall have notified Lessee in writing requesting such extension on or prior to such thirtieth (30th) day after the receipt of Lessee's Required Approvals.

Any non-disturbance agreement given pursuant to this Article shall provide that in the event any holder shall succeed to the interest of Lessor, the Lessee shall, and does hereby agree to attorn to such holder and to recognize such holder as its Lessor and such holder shall be subject to all of the terms and provisions of this Lease, provided that the holder shall not be: (i) liable in any way to the Lessee for any act or omission, neglect or default on the part of Lessor under this Lease except to the extent the same constitutes an ongoing default under the Lease; (ii) responsible for any monies owing by or on deposit with Lessor to the credit of Lessee unless received by the holder; (iii) subject to any counterclaim or setoff which theretofore accrued to Lessee against Lessor; (iv) bound by any modification of this Lease subsequent to such mortgage or by any previous prepayment of regularly scheduled monthly installments of fixed rent for more than one (1) month, which was not approved in writing by the holder; (v) liable to the Lessee beyond the holder's interest in the Premises and the rents, income, receipts, revenues, issues and profits issuing from such Premises; or (vi) responsible for the performance of any work to be done by the Lessor under this Lease to render the Premises ready for occupancy by the Lessee other than Lessor's Work; or (vii) liable for any portion of a security deposit not actually received by the holder. Lessee shall provide Lessor's lender (to the extent such notice party and contact is provided in advance to Lessee in writing) with any notice of default or other notice of Lessor's failure to perform its obligations and duties under this Lease at the same time that such notice is given by Lessee to Lessor.

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- (c) No agreement to make or accept any surrender, termination or cancellation of this Lease or exercise an extension or option right (except as expressly set forth in this Lease) and no agreement to modify so as to reduce the rent, reduce the term, or otherwise materially change the rights of the Lessor under this Lease, or to relieve the Lessee of any obligations or liability under this Lease, shall be valid unless consented to in writing by the Lessor's mortgagees or ground lessors of record, if any.
- (d) The Lessee agrees on request of the Lessor to execute and deliver from time to time any agreement to the extent reasonably acceptable to Lessee, in recordable form, which may reasonably be deemed necessary to implement the provisions of this Section 10.01.

Section 10.02. Lessee and Lessor agrees to furnish to the other, within fifteen (15) business days after request therefor from time to time, a written statement setting

forth the following information:

- (i) The then remaining term of this Lease;
- (ii) The applicable rent then being paid, including all Base Rent and Additional Rent based upon the Additional Rent most recently established;
- (iii) That the Lease is current and not in default or specifying any default;
- (iv) That the Lessee or Lessor, as applicable, has no current claims for offsets against the other, or specifically listing any such claims;
- (v) The date through which rent has then been paid;

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- (vi) That no Federal or State enforcement action has been brought against Lessee or its use of the Premises;
- (vii) Such other information relevant to the Lease as Lessor or Lessee may reasonably request; and
- (viii) A statement that any prospective mortgage lender and/or purchaser may rely on all such information.

Section 10.03. After receiving notice from any person, firm or other entity that it holds a mortgage which includes the Premises as part of the mortgaged premises, or that it is the ground lessor under a lease with the Lessor, as ground lessee, which includes the Premises as a part of the mortgaged premises, no notice from the Lessee to the Lessor shall be effective unless and until a copy of the same is given in the same manner as required for notice in this Lease to such holder or ground lessor, and the curing of any of the Lessor's defaults by such holder or ground lessor shall be treated as performance by the Lessor. Accordingly, no act or failure to act on the part of the Lessor which would entitle the Lessee under the terms of this Lease, or by law, to terminate this Lease, shall result in a termination of this Lease unless: (i) the Lessee shall have first given written notice of the Lessor's act or failure to act on the part of the Lessor which could or would give basis for the Lessee's rights; and (ii) such holder or ground lessor, after receipt of such notice, has failed or refused to correct or cure the condition complained of within the cure period allowed the Lessor.

Section 10.04-. With reference to any assignment by the Lessor of the Lessor's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage or a ground lessor on property which includes the Premises, the Lessee agrees:

- (a) That the execution thereof by the Lessor, and the acceptance thereof by the holder of such mortgage or ground lessor, shall never be treated as an assumption by such holder or ground lessor of any of the obligations of the Lessor hereunder, unless such holder or ground lessor shall, by notice sent to the Lessee, specifically make such election or take possession of such property; and
- (b) That, except as aforesaid, such holder or ground lessor shall be treated as having assumed the Lessor's obligations hereunder only upon foreclosure of such holder's mortgage or the taking of possession of the Premises, or, in the case of a ground lessor, the assumption of the Lessor's position hereunder by such ground lessor.

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ARTICLE 11

Fire, Casualty and Eminent Domain

Section 11.01. Should a substantial portion of the Premises be damaged by fire or other casualty, or be taken by eminent domain, the Lessor or Lessee may elect to terminate this Lease unless Lessee is leasing all of the Building. When fire or other unavoidable casualty or taking renders the Premises substantially unsuitable for its intended use, the Lessee may further elect to terminate this Lease if:

- (a) The Lessor fails to give written notice within sixty (60) days after such casualty of its intention to restore the Premises and Common Areas (but only if the damage to the Common Area has a material adverse impact upon the Lessee's use of the Premises) or provide alternate access, if access has been taken or destroyed; or
- (b) If Lessor gives notice of its intention to restore (or if Lessor is required to so restore without giving such notice) and the Lessor fails to restore the Premises to a condition substantially similar to the condition prior to such fire or other casualty (or with respect to a taking, the remaining portion of the Premises), or fails to provide alternate access within one hundred eighty (180) days of such fire or other unavoidable casualty (or within one hundred twenty (120) days in the case of partial damage), or taking: provided, however, that in the event Lessor has diligently commenced repairs to the damaged property and such repair takes more than one hundred eighty (180) days (or one hundred twenty (120) days in the case of partial damage) to complete due to causes beyond Lessor's reasonable control, Lessor shall have the right to complete such repairs within a reasonable time period thereafter (the "**Additional Time**") but in no event shall such Additional Time be longer than the shorter of: (i) thirty (30) additional days; or (ii) the length of such delays beyond Lessor's reasonable control; or
- (c) there are less than two years remaining in the Lease.

In addition, the provisions of clause (b) shall apply if a material portion of the Premises is damaged by fire or other casualty, or be taken by eminent domain, and such fire, casualty or taking has a material adverse impact on Lessee's use of the Premises.

If this Lease is not terminated as set forth above in this Article 11 (either by election or because there is no right to so terminate), Lessor shall diligently restore the Premises and all Common Areas and surrounding property to a condition substantially similar to the condition prior to such fire or other casualty or taking. This paragraph shall not serve to reduce the one hundred twenty (120) and one hundred eighty (180) day periods set forth herein.

When fire or other unavoidable casualty or taking renders any portion of the Premises, parking, or access to either, substantially unsuitable for its intended use, a just and proportionate abatement of Rent shall be made. For purposes of this Section, a taking or damage shall be substantial if it shall affect more than fifty percent (50%) of the Premises, any equipment or any Building systems serving the Premises which are critical to Lessee's cultivation and operations, or is reasonably estimated to take more than one hundred eighty (180) days to restore to the condition as set forth in this Article.

The Lessor reserves, and the Lessee grants to the Lessor, all rights which the Lessee may have for damages or injury to the Premises for any taking by eminent domain, except for damages specifically awarded on account of the Lessee's fixtures, property or equipment or the unamortized value of any improvements paid for by Lessee and except for moving expenses.

ARTICLE 12

Indemnification

Section 12.01. Subject to the provisions of Section 4.04 above and 12.02 below, Lessee shall protect, indemnify and save harmless Lessor, its managing agent and any mortgagee or ground lessor from and against all actual, reasonable, out of pocket, liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including reasonable attorneys' fees and expenses; which are incurred by them to the extent caused by any of the following occurring during the term of this Lease:

- (a) any work performed in or on the Premises by Lessee or its contractors;
- (b) any act or omission (with respect to the Premises, or the use or management thereof, or this Lease) on the part of Lessee or any of its agents, contractors, customers-, servants, employees, licensees, invitees, assignees, sublessees or occupants; or
- (c) any accident, injury or damage to any person or property occurring in or on the Premises.

Notwithstanding anything set forth herein to the contrary, Lessee covenants, acknowledges and agrees to indemnify and hold harmless the Lessor from any reasonable, actual, out-of-pocket, claim, cause of action, loss, reasonable legal fees or expenses threatened or brought against Lessor by any local, state, or federal agency caused by Lessee's default under this Lease in complying with the Permitted Use.

Section 12.02. Lessor shall protect, indemnify and save harmless Lessee from and against all actual, reasonable, out of pocket, liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including all reasonable attorneys' fees and expenses, which are incurred by Lessee during the term of this Lease as a result of any act or omission or willful misconduct on the part of Lessor or any of its agents, contractors, customers, servants, or employees.

Section 12.03. In case any action or proceeding is brought against either party by reason of any such occurrence, the party required to provide indemnification, upon written notice from the party entitled to indemnification, will, at the sole cost and expense of the party required to provide indemnification, resist and defend such action or proceeding or cause the same to be resisted and defended, by counsel designated by the party required to provide indemnification and approved in writing by the party to be defended, which approval shall not be unreasonably withheld.

ARTICLE 13

Mortgages, Assignments and Subleases by Lessee

Section 13.01. Lessee's interest in this Lease may be mortgaged, encumbered, assigned or otherwise transferred, or made the subject of any license or other privilege, by Lessee or by operation of law or otherwise, and the Premises may be sublet, as a whole or in part, provided in each case (i) the Lessee receives written consent of Lessor, which shall not be unreasonably withheld, delayed or conditioned, provided any proposed assignee or sublessee (a) has as its proposed use for the Premises the Permitted Use, and (b) the proposed assignee has financial wherewithal to ensure the successful operation of its business and payment of rent under this Lease, and (ii) the execution and delivery to Lessor by the assignee or transferee of a good and sufficient instrument whereby such assignee or transferee assumes all obligations of Lessee under this Lease thereafter arising (or with respect to a sublease, under such sublease). In connection with any request by Lessee for such consent to assignment, Lessee shall provide Lessor with all relevant information reasonably requested by Lessor concerning the proposed assignee's financial responsibility, credit worthiness and business experience to enable Lessor to make an informed decision. Lessee shall reimburse Lessor promptly for all reasonable out-of-pocket expenses incurred by Lessor including reasonable attorneys' fees in connection with the review of Lessee's request for approval of any assignment or sublease, not to exceed \$1,500.00 for any single request. Lessor shall perform all review as relates to any assignment, transfer, or encumbrance within 14 calendar days of the request by the Lessee that includes all of the required diligence information listed herein. Lessor furthermore understands that in the event of any such request, time is of the essence and unreasonable delay could result in substantial financial harm to the Lessee. Lessee shall not offer to make, or enter into negotiations with respect to an assignment, sublease or transfer to: (i) any entity owned by, or under the common control of, whether directly or indirectly, a lessee in the Building; or (ii) any party with whom Lessor is then negotiating with respect to other space in the Building; or (iii) any party which would be of such type, character, or condition as to be inappropriate as a lessee for the building, provided however that the foregoing clauses (i) and (ii) shall not apply if there is no comparable space in the Building to the space Lessee is seeking to assign, sublease or transfer. It shall not be unreasonable for Lessor to disapprove any proposed assignment, sublet or transfer to any of the foregoing entities.

Subject to Section 13.02, any purported assignment, sublet or transfer under this Article 13 without Lessor's prior written consent shall be void and of no effect. From and after any sublease, the obligations of each such sublessee and of Lessee named as such in this Lease to fulfill all of the obligations of Lessee under this Lease shall be joint and several, except for a sublessee whose obligations shall be limited to those under any sublease. No acceptance of rent by Lessor from or recognition in any way of the occupancy of the Premises by a sublessee or assignee shall be deemed a consent to such sublease or assignment.

Section 13.02. Notwithstanding anything to the contrary in this Lease, provided Lessee is not in default of this Lease beyond any applicable notice and cure period, Lessee shall have the right to assign this Lease or sublet or permit occupancy of any or all of the Premises without Lessor's consent to any subsidiary, third party operation under management contract by the Lessee, parent, or affiliate controlled by, controlling, or under common control with Lessee or any entity resulting from the merger, consolidation, reorganization or sale of substantially all of Lessee's assets; provided, however, that in any such event: (i) use of the Premises shall be for the Permitted Use only; (ii) any assignee shall have the financial wherewithal to satisfy Lessee's remaining responsibilities under this Lease; and (iii) the purpose or result of such assignment shall not be to liquidate or substantially reduce the net worth of Lessee or such assignee.

Section 13.03. Except as provided above, no assignment, transfer of Lessee's interest in this Lease, or sublease of the Premises or any part thereof, and no execution and delivery of any instrument of assumption pursuant to Section 13.01 hereof in connection therewith shall in any way affect or reduce any of the obligations of Lessee under this Lease, but this Lease and all of the obligations of Lessee under this Lease shall continue in full force and effect as the obligations of a principal (and not as the obligations of a guarantor or surety). Each violation of any of the covenants, agreements terms or conditions of this Lease, whether by act or omission, by any of Lessee's permitted encumbrances, employees, transferees, licensees, grantees of a privilege, or sublessees, shall constitute a violation thereof by Lessee.

ARTICLE 14

Default

Section 14.01. In the event that:

- (a) the Lessee shall default in the due and punctual payment of any installment of Base Rent, or any part thereof, when and as the same shall become due and payable and such default shall continue for more than five (5) business days after written notice thereof. Notwithstanding the foregoing, no more frequently than twice per year, the Lessor shall be required to give the Lessee five (5) days written notice on any default in the payment of Base Rent;
- (b) the Lessee shall default in the payment of any Additional Rent payable under this Lease or any part thereof, when and as the same shall become due and payable pursuant to this Lease, and such default shall continue for a period of ten (10) business days after written notice of such default (Lessor being required to give no more than two (2) notices per year in respect of recurring payments only);
- (c) the Lessee shall default in the observance or performance of any of the Lessee's covenants, agreements or obligations hereunder, other than those referred to in the foregoing clauses (a) and (b), and such default shall not be corrected within thirty (30) days after written notice, or if such default is of a nature that it cannot with due diligence be completely remedied within said period of thirty (30) days, such reasonable additional period of time provided- that Lessee commences within such thirty (30) day period to cure same and thereafter diligently and continuously prosecutes to completion all steps necessary to remedy such default;
- (d) the Lessee shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, shall file any petition or answer seeking any reorganization, arrangement, composition, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or shall seek, or consent, or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or of all or any substantial part of its properties, or of the Premises, or shall make any general assignment for the benefit of creditors;- or

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- (e) any court enters an order, judgment or decree approving a petition filed against Lessee seeking any reorganization, arrangement, composition, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated or unstayed for an aggregate of sixty (60) days; or
- (f) the Lessee fails after five (5) Business Days' written notice thereof to maintain a certificate of registration, held now or in the future and whether provisional or final, in good standing with, or in such other status acceptable to, the MDPH, CCC or any successor in regulatory framework for the operation of Lessee's business at the Premises. Provided that, under this section (f), any lapse in registration shall not be considered a Default hereunder so long as there is no accompanying additional Default under (a) through (e) above;

then Lessor shall have the remedies set forth in Article 15.

Section 14.02. If the Lessee shall default in the observance or performance of any condition or covenants on Lessee's part to be observed or performed under or by virtue of any of the provisions- and any Article of this Lease, the Lessor, after any applicable notice to Lessee and opportunity to cure provided elsewhere in this Lease, without being under any obligations to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the Lessee. If the Lessor makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to reasonable attorneys' fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the rate of four percent (4%) per annum above the prevailing prime rate, shall be paid within thirty (30) days after written demand therefor to the Lessor by the Lessee as Additional Rent.

Section 14.03. No failure to insist upon strict performance of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedy consequent upon breach thereof, and no acceptance of full or partial rent, Base Rent, Additional Rent or any other payment during the continuance of any breach, shall constitute a waiver of any such or of any covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with, and no breach thereof, shall be waived, altered or modified except by written instrument executed by the other party. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 14.04. In the event any payment of Base Rent (or Additional Rent) is not paid within five (5) business days after written notice thereof, then because actual damages for a late payment are extremely difficult to fix or ascertain, but recognizing that damage and injury result therefrom, Lessee agrees to pay as an administrative fee and not as a penalty after the first such late payment in any one year period three percent (3%) of the amount due. (The grace period herein provided is strictly related to the fee for a late payment and shall in no way modify or stay Lessee's obligation to pay rent when it is due, nor shall the same preclude Lessor from pursuing its remedies under this Articles 14 or 15, or as otherwise allowed by law.)

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Section 14.05. Each right and remedy provided for in this Lease shall be cumulative and concurrent and shall be in addition to every other right or remedy provided for in this Lease now or hereafter existing in law or in equity or by statute or otherwise and the exercise or beginning of the exercise of any one or more of the rights or remedies provided for in this Lease now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous exercise of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 14.06. Whenever, under any provision of this Lease, Lessee shall be entitled to receive any payment from Lessor or to exercise any privilege or right under this Lease, Lessor shall not be obligated to make any such payment and Lessee shall not be entitled to exercise any such privilege or right so long as Lessee shall be in monetary default under any of the provisions of this Lease, and until after such default shall have been cured, if cured prior to the expiration or termination of this Lease pursuant to the provisions of Section 14.01 hereof, Lessee shall not be entitled to offset against rent or any other charges payable under this Lease any payments due from Lessor to Lessee or any Mortgagee.

ARTICLE 15 Lessor's Remedies

Section 15.01. Upon the occurrence of an Event of Default set forth above, Lessor shall have any one or more of the following remedies after the occurrence of an Event of Default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law, in equity, or otherwise; and may selected between by the Lessor:

Section 15.01.1. Terminate this Lease by giving written notice of termination to Lessee specifying a date not less than ten (30) business days after the giving of such notice on which this Lease shall terminate, in which event Lessee shall surrender the Premises to Lessor. If Lessee fails to so surrender the Premises, then Lessor, without prejudice to any other remedy it has for possession of the Premises or arrearages in rent or other damages, may re-enter and take possession of the Premises- and-expel- or

remove Lessee and any other person or entity occupying the Premises or any part thereof. Notwithstanding the foregoing or anything to the contrary contained in this Lease, in no event shall Lessor take possession, custody or control of any regulated property or assets of Lessee that would require Lessor to be authorized to do so under Chapter 369 of the Acts of 2012 and its implementing regulations, 105 CMR 725.000 et seq., unless Lessor is actually authorized to do so or, in the alternative, so appoints a third party designee or assignee (actually authorized and so confirmed by the Massachusetts Department of Public Health) to enforce such rights-hereunder.

Section 15.01.2. No act by Lessor other than giving notice of termination to Lessee shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this Lease shall not constitute a termination of this Lease. On termination of the Lease, Lessor shall have the right to recover from Lessee:

- (a) the worth at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease; and
- (b) as agreed liquidated damages either (i) an amount equal to the Rent and other sums which would have been payable had the Lease not so terminated (subject to off-set for net rents actually received from reletting after subtraction of the expenses of reletting), payable upon the due dates as specified herein as if the Lease had not been terminated, or (ii) the worth at the time of the award of the amount of all unpaid rent for the balance of the then-term of this Lease after the time of termination (excluding the potential Lease term under any unexercised option for the Extension Period) reduced to the extent of the then fair market rental value of the Premises (but never to the point where the amount of rent due Lessor for rent is a negative number), whichever the Lessor shall elect; provided, however, that if option (i) is selected, Lessor shall exercise good faith efforts to mitigate its damages (including without limitation good faith efforts to relet the Premises); and
- (c) any other amount, including, without limitation, reasonable attorneys' fees and court costs, necessary to compensate Lessor for all direct losses and damages proximately caused by Lessee's Event of Default.

The phrase "worth at the time of the award" as used in clause (a) above is to be computed by allowing interest at the rate of four percent (4%) per annum, but not to exceed the then legal rate of interest. The same phrase as used in clause (b) above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank at the time of the award, plus one percent (1%).

The term "rent" as used in this Article 15 means Base Rent.

Section 15.01.3. Lessee is liable for all direct damages suffered by Lessor as a result of the occurrence of an Event of Default. If Lessee fails to pay Lessor in a prompt manner for the damages suffered, Lessor may pursue a monetary recovery from Lessee. Included among these damages are all expenses incurred by Lessor in repossessing Lessee from the Premises (including, but not limited to, increased insurance premiums resulting from Lessee's vacancy), all expenses incurred by Lessor in reletting the Premises (including, but not limited to, those incurred for advertisements, brokerage fees, repairs, remodeling, and replacements), and all reasonable attorneys' fees incurred by Lessor in enforcing any of Lessor's rights or remedies against Lessee. Notwithstanding anything to the contrary in this Lease, in no event shall Lessee be liable for special, indirect or consequential damages.

Section 15.01.4. Pursuit of any of the foregoing remedies does not constitute an irrevocable election of remedies nor preclude pursuit of any other remedy provided elsewhere in this Lease or by applicable law, and none is exclusive of another unless so-provided-in this Lease or by applicable law. Likewise, forbearance by Lessor to enforce one or more of the remedies available to it on an Event of Default does not constitute a waiver of the Event of Default or of the right to exercise that remedy later prior to such Event of Default being cured or of any rent, damages, or other amounts due to Lessor hereunder.

Section 15.01.5. Whether or not Lessor elects to terminate this Lease or Lessee's right to possession of the Premises on account of any Event of Default by Lessee, Lessor shall have all rights and remedies at law or in equity, including, but not limited to, the right to re-enter the Premises and, to the maximum extent provided by law, but subject to any sublease recognition agreements otherwise entered into by Lessor with any subtenant, to terminate any and all subleases, licenses, concessions, or other consensual arrangements for possession entered into by Lessee and affecting the Premises.

ARTICLE 16

Quiet Enjoyment

Section 16.01. Lessee, subject to any ground leases, deeds of trust and mortgages to which this Lease is subordinate upon paying the rent and other charges herein provided for and performing and complying with all covenants, agreements, terms and conditions of this Lease on its part to be performed or complied with, shall not be prevented by the Lessor from lawfully and quietly holding, occupying and enjoying the Premises during the term of this Lease, except as specifically provided for by the terms hereof.

ARTICLE 17

Surrender

Section 17.01. Lessee shall, upon any expiration or earlier termination of this Lease, remove all of Lessee's goods and effects from the Premises. Lessee shall peaceably vacate and surrender to the Lessor the Premises and deliver all keys, locks thereto, and other fixtures connected thereto, and all alterations and additions made to or upon the Premises, in the same condition as they were at the commencement of the term, or as they were put in during the term hereof, reasonable wear and tear and damage by insured fire or other unavoidable casualty or taking or condemnation by public authority or as a result of Lessor's negligence only excepted. In the event of the Lessee's failure to remove any of Lessee's property from the Premises, To the extent permitted by Law, Lessor is hereby authorized, without liability to Lessee for loss or damage there at, and at the sole risk of Lessee, to remove and store any of the property at Lessee's expense, or to retain same under Lessor's control or to sell- at public or private sale, after thirty (30) days' notice to Lessee at its address last known to Lessor, any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property. If Lessee holds over at the Premises for more than sixty (60) days, Lessee shall be a lessee at sufferance and shall be liable for payment of rent at the rate of one hundred fifty percent (150%) of the Base Rent most recently payable, plus all Additional Rent, and shall be and remain liable to Lessor for all actual out of pocket damage, loss and cost incurred by Lessor, including reasonable attorneys' fees, as a result of such holding over by Lessee. During the holdover period, Lessor reserves the right to increase the holdover rent to not more than two-hundred percent (200%) of the Base Rent most recently payable upon thirty (30) days written notice. This agreement shall not prejudice the Lessor's right to seek recovery of the Premises. All access by Lessor, or any liquidator, receiver, trustee, or other custodian entering the Premises pursuant to this Section 17.01 shall be accomplished pursuant to the Access Protocol set forth in Section 7.08 herein. Lessor understands and agrees that possession, sale or other disposition of marijuana and marijuana-infused products is subject to the Massachusetts Marijuana Law, and nothing herein shall be construed to permit Lessor to possess-, sell or otherwise dispose of Lessor's property that is-marijuana or a marijuana-infused product, or any waste product from the processing thereof.

Section 17.02. No surrender to Lessor of this Lease or of the Premises or any part thereof or of any interest therein by Lessee shall be valid or effective unless required by the provisions of this Lease or unless agreed to and accepted in writing by Lessor. No act on the part of any representative or agent of Lessor, and no act on the part of Lessor other than such a written agreement and acceptance by Lessor, shall constitute or be deemed an acceptance of any such surrender.

ARTICLE 18

Options

Section 18.01. Option to Extend. Provided Lessee shall not be in default beyond all applicable notice and grace periods, Lessee shall have the right, at its election, to extend the Original Term of this Lease for two (2) additional periods of five (5) years each (each the "**Option Term**"), commencing upon the expiration of the Original Term or the then-current first Option Term, provided that Lessee shall give Lessor written notice in the manner provided in this Lease of the exercise of its election to so extend at least ninety (90) days prior to the expiration of the Original Term or the then-current first Option Term. The expression the "Original Term" means the period of years referred to in Section 1.02, and the first Option Term means the first five (5) year Option Term. Prior to the exercise by Lessee of said election to extend the Original Term, the expression "the term of this Lease" or any equivalent expression shall mean the Original Term; after the exercise by Lessee of the aforesaid election, the expression "the term of this Lease" or any equivalent expression shall mean the Original Term as extended. Except as expressly otherwise provided in this Lease, all the agreements and conditions contained in this Lease shall apply to the additional period to which the Original Term shall be extended as aforesaid. If Lessee shall give written notice as provided in this Lease of the exercise of the election in the manner and within the time provided aforesaid, the term shall be extended upon the giving of the notice without the requirement of any action on the part of the Lessor or written confirmation of receipt by Lessor.

The Base Rent for the duly exercised Option Terms shall be as follows:

Years 11-15:	3% increase over Year 10 Base Rent
Years 16-20:	3% increase over Year 15 Base Rent

For purposes of calculating Base Rent for the exercised Option Term, the Base Rent at Year 11 and 16 upon which the three percent (3%) increase shall be applied shall be the Base Rent as increased by the product of (i) the Base Rent on such date and (ii) the 2% Annual Escalator. Base Rent and the 2% increase shall be computed annually and applied on a cumulative basis. An example is as follows (not actual numbers):

Base rent end of year 10:	\$50/sq ft.
Base rent year 11:	$\$50 \times 1.03 = \$51.50$ sq ft
Base rent from years 12-15:	prior year base rent $\times 1.02$

This calculation will also apply to years 16-20

Section 18.02. Option to Lease Dispensary Space.

(a) Lessee shall have the right, subject to Lessee's delivery of written notice to Lessor on or before January 1, 2021 ("**Lessee's Dispensary Space Option Notice**"), to lease certain space, consisting of approximately 2,100 rentable square feet of space adjacent to the Phase I Premises (the "**Dispensary Space**"), as shown by the listing on Exhibit E-1 attached hereto. In the event Lessee exercises such option, the Dispensary Space shall become subject to all the terms and conditions of this Lease. Complete and in compliance with all applicable laws and free of violations which would prevent Lessee from obtaining any required permits, licenses or certificates to be obtained by Lessee under this Lease (such date, the "**Dispensary Space Commencement Date**"). From and after the Dispensary Space Commencement Date, the "Premises" shall include the Dispensary Space.

(b) With respect to the Dispensary Space, "Base Rent" shall mean \$21,000 per year, or \$1,750 per month.

ARTICLE 19

Federal Law Disclosure, Termination Rights and Indemnification

Section 19.01. Lessor acknowledges that the Lessee's Permitted Use of the Premises is permitted pursuant to the Massachusetts Marijuana Law, but that the Permitted Use is in conflict with the Federal laws pertaining to the same, including the Controlled Substances Act. Lessor and Lessee agree that if Lessor is in actual receipt of a formal written notice of forfeiture, meaning receipt of (i) a summons and notice, (ii) a summons and complaint or (iii) such other form of statutorily required notice, in each case, filed by the United States Attorney's Office, Department of Justice or such other governing body, regulator and/or agency with proper jurisdiction, and based solely upon Lessee's use of the Premises for the Permitted Use, then Lessor shall, within three (3) days of Lessor's receipt, provide written notice thereof to Lessee. Lessee shall have the right in its own name or on behalf of Lessor to, at its sole cost and expense, contest any such formal written notice of forfeiture. If Lessee does not inform Lessor in writing within five (5) Business Days after receipt of Lessor's notice that Lessee will contest such formal written notice of forfeiture, Lessor shall have the unilateral right to terminate this Lease upon written notice to the Lessee. Lessee, should Lessor choose not to terminate this Lease as called for in the preceding sentence, shall have an obligation to diligently contest such notice of forfeiture and take all reasonable action to continue its operations at the Premises. In the event that Lessee diligently contests such notice of forfeiture and fails to prevail, or at any time during the term of this Lease Lessee is unable to obtain or renew any licenses, permits, registrations or approvals for the Permitted Use at the Premises and the operations of Lessee's business therein, then it shall have the right to terminate this Lease upon written notice to the Lessor.

Lessee acknowledges and states that Lessor is not a partner of a joint venture with, or in business in any manner with Lessee with respect to the Permitted Use and that their relationship is purely one of landlord/tenant.

ARTICLE 20

Security Deposit

Lessee shall not pay any security deposit. Lessee shall not pay any "last month's rent."

ARTICLE 21

(Intentionally Omitted)

ARTICLE 22
[Intentionally Omitted]

ARTICLE 23
Construction; Lessee's Work; Plans

Section 23.01. Lessee shall have the right to make alterations and perform work to the Premises, the Building and the Property for its initial occupation of the Premises which work shall be performed by Lessee's contractors, consultants, engineers, architects and other service providers. Lessee shall, using Lessee's architect, prepare detailed plans (the "**Plans**") for the construction of the build-out work to be performed by Lessee ("**Lessee's Work**"). Lessor and Lessee shall cooperate in good faith to facilitate the completion of the Plans. Lessee shall proceed with completion of Lessee's Work in as timely a manner as is practicable, and shall seek to obtain all of its required plans and approvals and including Lessee's Required Approvals in as timely a fashion as possible. In the event Lessor fails to timely respond to Lessee's request for consent or approval hereunder, Lessor's consent shall be deemed granted with respect to such request. The parties shall continue to finalize the Plans in accordance therewith until completed (the "**Final Plans**"). Lessor hereby consents to any changes to the Plans or Final Plans which may be imposed by any applicable laws or as a condition of obtaining any Lessee Required Approvals or any permit for the construction of Lessee's Work by any municipal department having jurisdiction over same or any defect in the preliminary space plan, the Plans or Final Plans (a "**Required Change**").

- (a) Lessor shall not unreasonably withhold, delay or condition any such approvals.

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- (b) Any dispute with respect to the Lessor's Work or the Lessee's Work shall be subject to arbitration in accordance with Section 27.12 of this Lease.

Section 23.02. Alterations and Additions. Lessee shall not make alterations or additions to the Premises except in accordance with Article 8. Lessee shall provide to Lessor as-built drawings of the alterations or additions requiring Lessor's consent within thirty days after completion thereof. All of Lessee's alterations shall be performed in such a manner as to maintain harmonious labor relations and not to damage the Property or unreasonably interfere with Building construction- or operation. Except for work by Lessor's-general- contractor, Lessee, before its work is started, shall: secure all licenses and permits necessary therefor; deliver to Lessor a statement of the names of all its contractors; and cause each contractor to carry workmen's compensation insurance in statutory amounts covering all the contractor's and subcontractor's employees and comprehensive public liability insurance and property damage insurance with such limits as Lessor may reasonably require (naming Lessor as an additional insured) but in no event less than, with respect to public liability insurance \$2,000,000 and with respect to property damage insurance \$500,000.(all insurance to be written in companies reasonably approved by Lessor and insuring Lessor and Lessee as well as the contractors), and to deliver to Lessor copies of certificates of all such insurance. Lessee agrees to pay promptly when due the entire cost of any work done on the Premises by Lessee, its agents, employees, or independent contractors, and not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises or the Property and discharge within thirty (30) days after written notice thereof any such liens which may so attach or provide a bond covering such liens.

Section 23.03. General Provisions Applicable to Construction. All construction work required or permitted by this Lease, whether by Lessor or Lessee, shall be done in a good and workmanlike manner, performed diligently until completion, using first-class materials, and in compliance with all applicable laws and all lawful ordinances, regulations and orders of governmental authority and insurers of the Property. Lessee may inspect the work of Lessor at reasonable times and shall promptly give notice of observed defects.

ARTICLE 24
Proprietary Information

24.01. Project Defined. Lessor acknowledges that it shall be receiving from Lessee information of a non-public nature for use by Lessor and its officers, directors, agents, employees- and representatives-, including financial and legal advisers, architects, contractors- and engineering and other related consultants, successors and assigns of such parties (collectively, "**Representatives**") in connection with consideration by Lessor of its approval of Lessee's plans and specifications for Lessee's operations in the Premises and with respect to other matters requiring Lessor's consideration or consent pursuant to the terms of this Lease (Lessor's Work, Lessee's Work and alterations and any construction, operation and maintenance thereof, "**Lessee's Project**").

24.02. Confidential Information Defined. Lessor acknowledges that in the course of its dealings with Lessee relating to Lessee's Project, Lessor may receive or have access to certain information from or about Lessee, including but not limited to technical, financial and business information, methods and models, construction and design plans, layouts, formats, blueprints, design specifications, market projections, software programs, data or any confidential, proprietary or copyrightable information relating to Lessee's Project including information required to be furnished by Lessee to Lessor pursuant to the terms of this Lease (any such information supplied by Lessee to Lessor or its representatives either prior to the execution of this Lease or after the execution of this Lease, collectively, the "**Information**"). Information shall not include any data or information which before being divulged by Lessor (i) has become generally known to the public through no wrongful act of Lessor; (ii) has been rightfully received by Lessor from a third party without restriction on disclosure and without, to the knowledge of Lessor, a breach of an obligation of confidentiality running directly or indirectly to Lessee; (iii) has been approved for release by a written authorization by Lessee; or (iv) has been disclosed pursuant to applicable law or is required to be disclosed by operation of law.

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24.03. Non-Use and Nondisclosure Obligation. Lessor acknowledges that it shall have no right to use and covenants not to use, license, rent, sell, communicate or lease the Information in any form in whole or in part or any derivative thereof to any third party, either directly or indirectly, without the express prior written consent of Lessee. Lessor shall keep the Information confidential and shall not disclose the Information, in whole or in part, to any person or entity other than its Representatives who need to know such Information in connection with Lessor's evaluation thereof or other actions in connection with Lessor's Project in accordance with this Lease (it being agreed and understood that all such Representatives shall be informed by Lessor of the confidential nature of the Information and shall be required by Lessor to agree to treat the Information confidentially consistent with the terms of this Lease).

24.04 Ownership; Return of Designs and Information. Lessor understands and acknowledges that Lessee shall own all intellectual property rights in all designs, specifications, layouts, models, construction, design plans, blueprints, and other design information ("**Designs**") created as part of Lessee's Project. No license to Lessor, under any trademark, service mark, trade name, trade dress, trade secret, patent, copyright, mask work protection right or any other intellectual property right, is either granted or implied by the conveying of Information to Lessor. Lessor acknowledges that all Designs and Information (including tangible copies and computerized or electronic versions thereof) shall be and will remain the property of Lessee. In addition to its non-use and non-disclosure obligations with respect to Information, Lessor agrees not to use the Designs for any purpose and agrees not to disclose the Designs to others without the prior express written consent of Lessee. Following the expiration or termination of this Lease, all Designs and Information in the possession of Lessor or its Representatives shall promptly be returned to Lessee. Lessor acknowledges and recognizes that any breach of the provisions of this Article 24 could cause Lessee irreparable harm. Accordingly, Lessee shall be entitled to injunctive or any other relief or remedy for any material breach by Lessor of this Article 24.

ARTICLE 25
Notices - Service of Process

Section 25.01. All notices, demands, requests and other instruments which may or are required to be given by either party to the other under this Lease shall be in writing. All notices, demands, requests and other instruments from Lessor to Lessee shall be deemed to have been properly given if sent by United States certified mail, return receipt requested, postage prepaid, or if sent by prepaid FedEx or other similar overnight delivery service which provides a receipt, addressed to Lessee at 69 Milk St Suite 110 Westborough, MA 01581 prior to the actual Commencement Date, and thereafter at the Premises, with a copy at all times to Prince Lobel PC, One International Pl, Boston, Massachusetts, Attention: John Bradley, Esq., or at such other address or addresses as the Lessee from time to time may have designated by written notice to Lessor. All notices, demands, requests and other instruments from Lessee to Lessor shall be deemed to have been properly given if sent by United States certified mail, return receipt requested, postage prepaid or if sent by prepaid FedEx or other similar overnight delivery service which provides a receipt, addressed to Lessor at the address forth in the opening paragraph of this Lease with a copy at all times to Winokur, Serkey & Rosenberg, P.C., 81 Samoset Street, Plymouth, MA 02360, Attention: Howard Kelman, Esq., or at such other address as Lessor from time to time may have designated by written notice to Lessee. Any notice shall be deemed to be effective upon receipt by, or attempted delivery to, the intended recipient.

ARTICLE 26-
Separability of Provisions

Section 26.01. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or contrary to applicable law or unenforceable, the remainder of this Lease, and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or contrary to applicable law or unenforceable, as- the case may be, shall not be affected thereby, and each term and provision of this Lease shall be legally valid and enforced to the fullest extent permitted by law.

ARTICLE 27
Miscellaneous

Section 27.01. This Lease may not be modified or amended except by written agreement duly executed by the parties hereto.

Section 27.02. This Lease shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

Section 27.03. This Lease may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

Section 27.0A. The covenants-and agreements-herein-contained shall, subject to the provisions of this Lease, bind and inure to the benefit of Lessor, his successors and assigns, and Lessee, and Lessee's permitted successors and assigns, and no extension, modification or change in the terms of this Lease effected with any successor, assignee or transferee shall cancel or affect the obligations of the original Lessee hereunder unless agreed to in writing by Lessor. The term "Lessor" as used herein and throughout the Lease shall mean only the owner or owners at the time in question of Lessor's interest in this Lease. Upon any transfer of such interest, from and after the date of such transfer and assumption by such transferee of Lessor's obligations-under this Lease, Lessor herein named (and in case of any subsequent transfers the then transferor), shall be relieved of all liability for the performance or observance of any agreements, conditions- or obligations on the .part of the Lessor contained in this-Lease except for claims- or defaults in connection with Lessor's obligations and liabilities arising prior to such transfer or monies owed by Lessor to Lessee and which were not assigned to and repayment thereof assumed by such transferee, provided that if any monies are in the hands of Lessor or the then transferor at the time of such transfer, and in which Lessee has an interest, shall be delivered to the transferee, then Lessee shall look only to such transferee for the return thereof.

Section 27.05. This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect.

Section 27.06. In the event this Lease or a copy thereof shall be recorded by Lessee then such recording shall constitute a default by Lessee under Article 14 hereof entitling Lessor or Lessee to immediately terminate this Lease. Upon execution of this Lease, Lessor and Lessee shall execute a document in recordable form containing only such information as- is- necessary to constitute a Notice of Lease. All reasonable costs of preparation and recording such notice shall be borne equally by Lessee and Lessor.

Section 27.07. The submission of this Lease for review or comment shall not constitute an agreement to lease the Premises between Lessor and Lessee until both have signed and delivered copies thereof.

Section 27.08. [Intentionally Omitted]

Section 27.09. [Intentionally Omitted]

Section 27.10. Lessor and Lessee each warrant to the other that it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full power and authority to execute and deliver this Lease, that this- Lease constitutes- the valid and legally binding obligation of such party, enforceable in accordance with its terms, and that the undersigned representatives are duly authorized to execute and deliver this Lease on behalf of such party.

Section 27.11. The parties hereto hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other with respect to any matter whatsoever arising out of or in any way connected with this-Lease, or for the enforcement of any remedy under any statute, emergency or otherwise.

Section 27.12. If there shall arise a dispute between the parties concerning any provision of this Lease that is not resolved after good faith efforts between the parties, then either Lessor or Lessee shall have the right to submit such dispute in to be settled and finally determined by arbitration in Plymouth County, Massachusetts, under the Expedited Procedures provisions of the Commercial Arbitration Rules-of the AAA, or any successor organization (an "**Expedited Arbitration**"); provided, however, that with respect to any such arbitration (currently Rules E-1 through E-10), (a) the list of arbitrators referred to in Rule E-4 shall be returned to the AAA within five (5) days from the date of mailing, (b) the parties shall notify the AAA by telephone, within five (5) days of any objections to the arbitrator appointed and will have no right to object if the arbitrator so appointed was on the list submitted by the AAA and was not objected to in accordance with Rule E-4(c); (c) the notice of hearing referred to in Rule E-7 shall be five (5) days in advance of the hearing, (d) the hearing shall be held within seven (7) business days after the appointment of the arbitrator, (e) the arbitrator shall have no right to award damages beyond the amount of any such expenditure and interest earned thereon, at a rate of two percent (2%) per annum above the Prime Rate of interest as announced by Bank of America, N.A. or any successor institution from time to time (the "Lease Interest Rate"); (f) the decision and award-of the arbitrator shall be final and conclusive on the parties and (g) judgment may be had on the decision and award of the arbitrator in any court of competent jurisdiction. The non-prevailing party shall be responsible to reimburse the prevailing party in the arbitration for the reasonable attorneys' fees incurred by the prevailing party to the arbitration and for the fees and expenses of the arbitration. The non-prevailing party shall pay any award within thirty (30) days of the decision. If Lessee is the prevailing party in any such arbitration and Lessor fails to pay the amounts awarded by -the arbitrator, and the attorneys' fees and the fees and expenses of the arbitration, Lessee shall be entitled to offset such amounts, plus interest thereon, at the Lease Interest Rate, against Base Rent until Lessee recovers such amounts. This arbitration provision is not applicable to an eviction proceeding for nonpayment of any rent, which may be pursued by Lessor in accordance with applicable law.

Section 27.13. Lessor and Lessee each represent and warrant that they have not directly or indirectly dealt with any broker other than NONE ("**Broker**") with respect to the leasing of the Premises-. Les-s-or .and-Lessee shall indemnify and-hold harmless-the other from and- against any and all claims for commission, fee or other compensation by any broker, agent, finder or other person other than the Broker who claims to have dealt with the indemnitor in connection with this Lease and for any and all costs incurred by the indemnitee in connection with such claims, including, without limitation, reasonable attorneys' fees and disbursements. Lessor shall pay the Broker its commission pursuant to separate agreement. This provision shall survive the expiration or earlier termination of this Lease.

Section 27.14. The Lessor may proceed against any or all of Lessee, any guarantors and any and all of their heirs, legal representatives, successors and assigns in the event of a default hereunder.

Section 27.15. Limitation of Liability. None of the provisions of this Lease shall cause either party to be liable to the other, or anyone claiming through or on behalf of the other party, for any special, indirect or consequential damages-, including, without limitation, lost profits or revenues. In no event shall any individual partner, officer, shareholder, trustee, beneficiary, director, manager, member or similar party, including, without limitation, a managing agent, if any (collectively, the "Representatives"), be liable, or anyone claiming by through or under Lessor or Lessee for the performance of or by Lessor or Lessee under this Lease or any amendment, modification or agreement with respect to this Lease. Lessee agrees to look solely to Lessor's interest in the Premises and the proceeds thereof in connection with the enforcement of Lessor's obligations in this Lease or for recovery of any judgment from Lessor, it being agreed that Lessor and its Representatives shall never be personally liable for any judgment, or incidental or consequential damages sustained by Lessee from whatever cause.

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Section 27.16. Emergency Action. In the event of an emergency, as reasonably determined by Lessor or Lessee, as applicable, in order and to the extent necessary to protect life or property, the party making that determination, where it is not practical to notify the other party, may take action and incur out-of-pocket cost to third parties for matters otherwise the obligation of the other party hereunder and, to the extent the party taking action incurs expense in so acting, which expense, but for such emergency would have been the expense of the other, then the party on behalf of whom such action was-taken and expense incurred will, within forty five (45) days after receipt of documentation of such expenses, reimburse the party which incurred such expense.

Section 27.17. Force Majeure. In the event either party shall be delayed or hindered in or prevented from the performance of any act required under this Lease to be performed by such by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restricted governmental law or .regulations-, riots-, insurrection, war or other reason of alike nature not within the reasonable control ("**Force Majeure**") of such party, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The party claiming Force Majeure shall give written notice of the same as soon as reasonably practicable to the other party, and shall use commercially reasonable efforts to minimize the time period of Force Majeure.

Section 27.18. Except as otherwise expressly stated to the contrary, nothing contained in this Lease shall entitle Lessor or Lessee to terminate this Lease as a result of any termination or failure of any condition of any other agreement between Lessor or Lessee and any other party.

Section 27.19. The obligation of the Lessee to pay Rent hereunder is separate and independent of any obligation on the part of the Lessor. The Lessors obligations hereunder is separate and independent of the obligation of the Lessee to pay Rent.

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IN WITNESS WHEREOF, the Lessor and Lessee have signed the same under seal as of this 22 day of April, 2020.

LESSOR:	CSS I LLC
	By: <u>/s/ Thomas J. Parenteau</u> Thomas J. Parenteau, President
LESSEE:	VALIANT ENTERPRISES LLC
	By: <u>/s/ John Brady</u> John Brady, COO

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EXHIBIT "A" **PREMISES**

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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EXIDBIT "B" **LESSOR'S WORK**

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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EXHIBIT "C"
RENT COMMENCEMENT DATE LETTER

Rent will be paid in twelve (12) equal monthly payments according to the schedule below:

Adjusted per annum base rent of \$39.93 per sq ft on the existing 50,000 sq ft will commence on May 1, 2020 (\$166,375 per month). Additional utilities and energy costs will be paid on the last day of the month according to the calculations- in Exhibit D.

Rent for additional office space consisting of 9,500 sq ft at \$7.05 per sq ft (\$13,498 per month) will commence with the premises being vacated by CSS. And turned over to Valiant broom clean

\$600,000 annual rent (\$50,000 per month) for a new equipment room of approximately 20,000 sq ft will commence at the earlier of January 1, 2021 or upon beginning the installation of the equipment.

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EXHIBIT "D"
REQUIRED SERVICE LEVELS

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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EXHIBIT "E"
UTILITY COST ESTIMATION

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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LEASE AMENDMENT #1

October 21, 2020

LESSOR: CSS I LLC ("Lessor")

LESSEE: Valiant Enterprises, LLC ("Lessee")

BUILDING: 310 Kenneth Welch Drive, Lakeville, MA 02347 ("Building" or "Property")

PREMISES: Expansion Engine room space of 310

AGREEMENT

This document is the first amendment to the LEASE AGREEMENT between CSS I LLC (Lessor) a Massachusetts corporation having a usual place of business at 310 Kenneth Welch Drive, Lakeville, MA 02347 and VALIANT ENTERPRISES, LLC (Lessee) a Massachusetts limited liability company with an address of 110 Turnpike Road, Suite 114, Westborough, MA 01581. For good and valuable consideration received

Upon and subject to the conditions and limitations hereinafter set forth, at 310 Kenneth Welch Drive, Lakeville, Massachusetts the approximately 20,000 additional rented square feet of Engine room shall be constructed for the purpose of Back up Equipment to existing Equipment currently in operation by Lessee. The Lessor will purchase, install, operate and maintain all the Equipment needed to Back up existing Equipment in operation for Lessee. Should an Equipment failure occur in the system currently in operation, the newly installed Equipment will Automatically take the place to insure a smooth operation with as little delay as possible. All utilities needed to operate the Equipment will be at the sole expense of Lessee.

All repairs will be conducted as agreed in the lease currently in place. As compensation for this additional equipment purchased for the benefit of Lessee total payments for the work and operation of the equipment needed will be paid in the form of additional monthly rent of \$120,000 for a 24 month period, totaling \$2,880,000, beginning on February 1, 2021. This additional rent shall be paid by separate check to Landlord and shall be deemed "rent" as that term is defined in the Lease. The base amount for calculating the rent reimbursement due from Lessor back to Lessee for the purchase of this equipment under the terms of the current lease as set forth in Exhibit D to the Lease Agreement shall not exceed \$2,350,000. All such equipment shall become and be deemed affixed to the real estate and shall otherwise remain owned by Lessor.

The backup equipment installation will be completed by May 1, 2021. However in the interim time frame from the date of signing this agreement until project completion on May 1, 2021 CSS1 LLC will provide all the necessary backup for chill water and hot water for existing units/ rooms currently on line for chilling/heating/dehumidification required by Lessee in the event of a problem with the current chilling/heating/dehumidification system.

Back-up for future 5 air handler units will be supplied by January 1, 2021. However, all air han- dlers currently in place will have immediate backup

Lessor will also immediately begin installation of the 5 new air handlers with a scheduled com- pletion date of no later than January 1, 2021. Cost of this installation is included in the quoted price and which payments will begin on February 1, 2021.

This agreement does not include the cost for any other equipment including socks within any rooms existing or future, which shall be the responsibility of Lessee at its sole cost and expense.

Executed as of the date first set forth above.

Lessor:

CSS I, LLC

By: /s/ Thomas J. Parenteau
Thomas J. Parenteau, Pres.

Lessee:

VALIANT ENTERPRISES, LLC

By: /s/ John Brady
John Brady, COO

SECOND AMENDMENT TO LEASE

This SECOND AMENDMENT TO LEASE ("**Second Amendment**") is made this 12th day of January, 2022 (the "**Effective Date**") by and between TAC Vega MA Owner, LLC, a Delaware limited liability company ("**Landlord**" or "**Lessor**"), and VALIANT ENTERPRISES, LLC ("**Tenant**" or "**Lessee**").

RECITALS

A. The owner and lessor of the Premises immediately prior to the Effective Date CSS I, LLC, and Tenant entered into an Amended and Restated Lease dated as of April 22, 2020 for Units 1, 2, 3 5 (portion) and 6 of the CSS Commercial Condominium, consisting of approximately 79,500 rentable square feet in the building commonly known as 310 Kenneth Welch Drive, Lakeville, MA as more fully described in the Lease ("**Premises**").

B. Subsequently, Landlord and Tenant entered into a Lease Amendment #1 dated October 21, 2020 which provided for the installation of Back up Equipment in the Engine Room portion of the Premises which shall serve as automatic (and, to the extent not automatic without human intervention, promptly engaged pursuant to the Lease) backup equipment providing the same performance levels required to meet the required service levels of heating and chilling capacity. The Amended and Restated Lease dated April 22, 2020, the Lease Amendment #1 dated October 21, 2020 shall collectively be referred to as the "**Lease**".

C. On the Effective Date, Landlord has acquired the Premises and is the successor landlord to Tenant.

D. CSS I, LLC and Landlord, as part of Landlord's acquisition of the Premises, requested Tenant execute an estoppel certificate and subordination, nondisturbance and attornment agreement. As an inducement for Tenant to execute such estoppel certificate and a subordination, nondisturbance and attornment agreement, without acknowledgment that successor landlord is in breach of the Lease, Landlord has agreed to ratify and complete the installation and operationalization of the Back up Equipment as set forth in this Second Amendment.

E. Landlord and Tenant desire to amend and to modify the Lease as set forth in this Second Amendment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, Landlord and Tenant agree as follows:

1. Recitals. The recitals set forth above are agreed to be correct and are incorporated herein. All capitalized terms used and not otherwise defined in this Second Amendment, but defined in the Lease, shall have the meaning set forth in the Lease.

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2. Rent reimbursement for expansion of Engine Room. Notwithstanding anything contained in the Lease to the contrary, the base amount for calculating rent reimbursement due from Landlord to Tenant for the purchase of the equipment referenced in Lease Amendment #1 shall be a fixed amount equaling \$2,350,000.00, together with 4% interest accrued thereon and amortizing over 120 months, equating to a \$23,793 rent credit per month in Tenant's favor commencing in February 2023 and continuing for 119 additional months. For avoidance of doubt, attached hereto as Exhibit A is the agreed upon schedule of (i) Tenant's remaining additional monthly rent payments of \$120,000 relating to the installation of the Back up Equipment, with the next payment due in February 2022 and the final such payment due January 2023, and (ii) rent credits to Tenant of \$23,793 per month, commencing February 2023 and continuing through and including January 2033.

3. Installation of Equipment. As of the date hereof, the parties acknowledge and agree that (i) Landlord has completed installation of the air handler units specified in Amendment #1 to the Lease; (ii) for Landlord's obligation in Amendment #1 with respect to the installation of the Back up Equipment to be deemed satisfied such equipment must be (A) sufficiently sized to generate eight million BTUs of heating capacity and 650 tons of chiller capacity, and (B) such equipment must be operating within its advertised specifications (collectively, the "Back up Capacity Standard"); and (iii) Landlord has procured and is in the process of finalizing the installation of the equipment described on Exhibit B attached hereto to serve as the Back up Equipment. Within sixty (60) days of the Effective Date Landlord agrees to properly complete installation of any and all Back up Equipment necessary to meet the Back up Capacity Standard, including any and all electrical hook ups, and further allow for primary control of such Back up Equipment which is exclusively benefiting Tenant. Landlord shall only install equipment which is in good and operative condition. Upon the completion of the installation Landlord shall promptly notify Tenant, and Tenant shall be permitted to conduct an inspection of the equipment and the installation within ten (10) business days receipt of written notice from Landlord. As part of such notice, Landlord shall confirm, via Stadelmann and Nexgen, all such equipment has been installed per code. Within five (5) business days of such inspection by Tenant, Tenant shall provide Landlord written notice that it either approves or disapproves the Back up Equipment installed by Landlord, and if it disapproves, specify the reason therefor; failure to provide such notice shall be deemed an approval by Tenant. To the extent Tenant notifies Landlord that it disapproves, the parties shall work in good faith to agree upon and hire an independent industry expert to test the Back up Equipment using industry standard testing protocols, to determine whether such equipment meets the Back up Capacity Standard and the parties hereby agree to be bound by such determination; the parties shall split equally the cost of such industry expert. To the extent such industry expert determines that the fully operational Back Up Equipment does not meet the Back up Capacity Standard then Landlord shall promptly make such changes or additions to the Back up Equipment, up to a cost to Landlord of \$300,000.00, necessary for such equipment, as then installed and configured by Landlord, to meet the Back up Capacity Standard. For the avoidance of doubt if Tenant further installs additional equipment in the Engine Room at its expense necessary to cause the Back up Equipment to meet the Back up Capacity Standard, such additional equipment shall be owned by Tenant and subject to Tenant's obligation to remove such equipment at the termination or expiration of the Lease unless otherwise agreed by Tenant and Landlord.

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4. Miscellaneous.

(a) All Other Lease Terms in Effect. Except to the extent the Lease is modified by this Second Amendment, all other terms and conditions of the Lease will continue in full force and effect. In the event of a conflict between the terms of the Lease and the terms of this Second Amendment, the terms of this Second Amendment shall prevail.

(b) Entire Agreement. This Second Amendment represents the entire agreement of Landlord and Tenant with respect to the subject matter hereof, and the terms hereof shall not be amended or changed by any oral representation or agreement. To be effective, any amendments to the Lease shall be in writing and shall be executed by both parties hereto.

(c) Counterparts. This Second Amendment may be executed in counterparts each of which shall be deemed an original and all of which when taken together shall constitute one and the same document. This Second Amendment may be executed by original signature, and/or signature originally signed by hand but transmitted via email (e.g., by scanned .PDF) or facsimile, and by electronic signature technology (e.g., DocuSign), which signature shall be considered as valid and binding as

an original signature and delivery of such executed counterpart signature page by electronic signature technology, facsimile or email shall be as effective as executing and delivering this Second Amendment in the presence of the other parties to this Second Amendment. The parties hereby waive any defenses to the enforcement of the terms of this Second Amendment based on such electronic, faxed or emailed signatures.

(d) Authority. Each signatory of this Second Amendment represents that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

[Signatures on following page]

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IN WITNESS WHEREOF, the parties have executed this Second Amendment, as of the day and year first above written.

LANDLORD:

By: /s/ Charles P. Kauss
Name: Charles P. Kauss
Title: Manager

TENANT:

By: /s/ Jon Barack
Name: Jon Barack
Title: Authorized Representative

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Exhibit A

Rent Payment Schedule

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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Exhibit B

List of Currently Installed Back up Equipment

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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STANDARD FORM COMMERCIAL LEASE

1. PARTIES

Valiant Enterprises, LLC a Massachusetts Limited Liability Company ("**Landlord**", which expression shall include its heirs, successors, and assigns where the context so permits), having an address at 110 Turnpike Road, Suite 114, Westborough, MA 01581, does hereby lease to Nature's Remedy of Massachusetts, Inc., a Massachusetts Domestic Corporation ("**Tenant**", which expression shall include its heirs, successors, executors, administrators, and assigns where the context so permits)(Tenant and Landlord collectively, the "**Parties**"), and Tenant hereby leases from Landlord the following described Premises pursuant to the terms of this Lease (the "**Lease**").

2. PREMISES

The premises contain an agreed upon approximately 50,000 rentable square feet of the building located at 310 Kenneth Welch Drive, Lakeville, MA 02347 (the "**Premises**").

3. TERM

a. Initial Term

The Term of this Lease shall be effective on the date the Parties execute the Lease (the "**Effective Date**") and shall continue thereafter until and ending on the last day of the tenth year following the Effective Date (the "**Initial Term**").

b. Option Terms

Provided Tenant has maintained the Lease current and is not in Default at the time Tenant exercises its right to extend, Tenant shall have three (3) options to extend the Term (as hereinafter defined) of the Lease for a successive period of five (5) years (each a "**Option Term**"). Tenant may exercise an Option Term by giving written notice to Landlord which notice must be received by Landlord not later than six (6) months prior to the expiration of the Initial Term or current Option Term. Failure of Tenant to timely give written notice pursuant to the terms of this Section 3.b. shall be deemed a waiver of Tenant's right to the Option Term and the Lease shall terminate at the end of the Initial Term or current Option Term. All provisions of the Lease shall remain the same and in effect during the Option Term except that (i) Base Rent (as hereinafter defined) shall be payable for the Option Term as set forth in Section 4 below. Following the end of the final Option Term, there shall be no further right to extend or renew the Lease.

As used in this Lease the "**Term**" of the Lease shall mean the period of time between the Effective Date and the end of the Initial Term and, as applicable, the end each Option Term if and as exercised pursuant to the terms hereof.

4. RENT

As used herein, the term "**rent**" or "**Rent**" shall mean the minimum monthly base rent payment (the "**Base Rent**"). Rent shall be paid as provided herein without deduction, offset or setoff whatsoever.

a. Base Rent

Tenant shall pay only by either wire transfer of funds from a check drawn on Tenant's account to Landlord Base Rent (as hereinafter defined) during the Term at the following rates, payable in advance on the first day of each month (pro-rata for any partial month) commencing on the Rent Commencement Date (as hereinafter defined) without any deduction, offset or setoff whatsoever, in monthly installments as herein set forth. For purposes of determining Base Rent in years three- ten of the Term, Base Rent shall be the prior year's rent plus the current Consumer Price Index ("**CPI**"). For each year during any Option Term, the Base Rent shall be equal to the prior years' rent plus the current CPI.

YEAR(S)	BASE RENT
ONE	\$70/sq. ft. gross
TWO	\$70/sq. ft. gross
THREE-TEN	Prior Year + CPI
OPTION TERM(S)	Prior Year + CPI

As used in this Lease, the term "**Lease Year**" shall mean the following: the first Lease Year shall commence on the Rent Commencement Date (as hereinafter defined) and shall end on the day before the first anniversary of the Rent Commencement Date; the second Lease Year shall commence on the day after the end of the first Lease Year and continue for a consecutive twelve- month period; and each Lease Year thereafter shall be a sequential, consecutive twelve (12) month period. The "**Rent Commencement Date**" shall be the first day of the month following Tenant's receipt of final approval from the Massachusetts Department of Public Health ("**DPH**") or Cannabis Control Commission ("**CNB**") to cultivate, manufacture/process or sell marijuana or marijuana products (each an "**Approved Use**"). Landlord acknowledges that the Base Rent shall be prorated based on the actual square footage being used by Tenant for an Approved Use and shall increase as Tenant gets additional approval for an Approved Use.

b. Rent Commencement Date

Base Rent shall commence on the Rent Commencement Date.

c. Default Rate and Administrative Fees

If Tenant shall fail to pay any installment of Base Rent within five (5) days after the date due, Landlord shall be entitled to collect a charge equal to five (5%) percent of the amount due to cover Landlord's administrative expense in handling late payments. In addition, Tenant shall pay interest at the rate of one and one-half percent (1½%) per month (the "**Default Rate**") or any fraction thereof on any Base Rent not paid within five (5) days after the date due.

5. UTILITIES

From and after the Rent Commencement Date, Landlord shall pay all bills as they become due for gas, water and sewer, electricity and any other utilities that are furnished to the Premises. Base cost for the Utilities will be established and Tenant agrees to pay for any overages that will be added to the Base Rent each month. In the event Tenant requires additional utilities or equipment, the installation and maintenance thereof shall be Tenant's sole cost and obligation, provided that such installation shall be subject to the written consent of Landlord which shall not be unreasonably withheld. Tenant agrees that in no event shall Landlord be liable for any interruption or delay in providing utilities or equipment or other services or performing other obligations under this Lease caused by accident, making of repairs, alterations or improvements in the Premises, labor difficulties, trouble in obtaining fuel, electricity or services or supplies, governmental restraints or the actions or inactions of Tenant or those acting by, through or under Tenant, or other causes beyond Landlord's reasonable control (but Landlord, in respect of those matters for which Landlord is expressly responsible under this Lease, will use reasonable efforts under the circumstances to restore such services or make such repairs), nor in any event for any indirect or consequential damages; and failure or omission on the part of Landlord to furnish such service or make such repair shall not be construed as an eviction of Tenant, nor render Landlord liable in damages, nor entitle Tenant to an abatement of Rent, nor release Tenant from the obligation to fulfill any of its covenants under this Lease; provided, however, the foregoing shall not exculpate Landlord from Landlord's negligent acts or omissions.

6. USE OF PREMISES

Tenant shall use the Premises for the purpose of Registered Marijuana Dispensary ("RMD") (sometimes referred to as a "**Marijuana Establishment**") and for any other purpose permissible under local and state law. other use (the "**Permitted Use**"). Tenant shall at all times be in full compliance all Applicable Laws (as hereinafter defined). Except for Federal law pertaining to the illegality of marijuana, Tenant agrees that in no event shall Tenant's use of the Premises be unlawful, improper, noisy or offensive, contrary to Applicable Laws, including, without limitation, any applicable municipal law, regulation, by-law or ordinance; make voidable any insurance on the Premises; be contrary to regulations from time to time established by any fire rating agency or similar body.

7. COMPLIANCE WITH LAW

Tenant, in the use of operation of its business at the Premises for the Permitted Use including, without limitation, access thereto, shall comply with all applicable building, zoning, environmental, health, life safety systems, including, without limitation, required fire suppression systems, land use and other applicable laws, including, without limitation, Federal, except for Federal law pertaining to the illegality of marijuana, state and municipal by-laws, guidelines (including the so-called FinCEN Guidance), rules, regulations, memorandums, ordinances, codes, and requirements applicable to the Premises and the Permitted Use, including, without limitation, and compliance with the Americans with Disabilities Act as amended, referred to as the "ADA" (all of the foregoing is referred to collectively, the "**Applicable Laws**"). Except for federal laws pertaining to the illegality of marijuana, Tenant agrees that no trade or occupation shall be conducted in the Premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any Applicable Laws. Tenant assumes all risk and liability related to the Permitted Use, including, without limitation, arising out of or related to compliance with Applicable Laws. Tenant shall use best efforts to make the Premises secure, including, without limitation, complying with Applicable Laws in relation to lighting in and around the Premises and making the Premises secure from theft, loitering, diversion, and public consumption of marijuana. Tenant shall use best practices to ensure the security of all marijuana at the Premises and to prevent the sale of marijuana to minors or any party other than individuals having complied with Applicable Laws relating to the use of marijuana.

8. FIRE INSURANCE

Tenant shall not permit any use of the Premises which would make voidable any insurance on the Premises, or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. Tenant shall on demand reimburse Landlord, and all other tenants, all extra insurance premiums caused by Tenants use of the Premises.

9. MAINTENANCE

a. Landlord's Obligations

Landlord agrees to perform all work necessary to maintain the Premises in good condition. Landlord's maintenance of the Premises to keep the same in good condition shall include, without limitation, maintaining, repairing and replacing as necessary, the ceiling, lighting, bulbs, venting, painting, life safety systems, including, without limitation, fire suppression systems, carpeting, flooring, and plumbing, heating, ventilation and air conditioning system ("**HVAC**"), wiring, cables, and ductwork and any and all facilities and utilities installed by Tenant therein and all work necessary to comply with Applicable Laws, including, without limitation, the ADA (collectively, the "**Maintenance**"). Landlord shall be responsible to maintain a service contract with a professional, certified HVAC contractor to keep the HVAC system in good working order, to repair and replace parts on the system or to maintain, repair and replace as necessary the HVAC system itself. Landlord shall also be responsible for the removal of snow and ice from the sidewalks bordering the Premises and keeping the sidewalks clean and free of debris.

b. Tenant's Obligations

Tenant agrees to reimburse Landlord for all costs associated with the Maintenance of the Premises. Tenant shall be responsible to pay such costs and expenses to Landlord within ten (10) days of billing by Landlord. Tenant shall be responsible to assure at all times that its invitees and employees do not loiter on the Premises nor use the products sold from the Premises at the Premises or in, on or around the Premises. Tenant shall prevent the escape of odors, fumes and other contaminants to any other portion of the Building. Tenant shall not permit the Premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. Tenant shall use and conduct Tenant's business at the Premises in such a manner as to assure that no water, noise, fumes, odor or any other condition escapes or is emitted from the Premises which is asserted to be objectionable by Landlord, other tenants or abutting property owners and their tenants, or which interferes with or in any manner causes damage to or upon the Property or any abutting tenant space or common area or property of others.

10. CONDITION OF PREMISES

Prior to the Rent Commencement Date, Landlord shall deliver the Premises to Tenant as a fully outfitted RMD including all equipment necessary for the Permitted Use in accordance with drawings and specifications (the "**RMD Plans**") to be agreed upon by Landlord and Tenant. The initial build-out cost of the RMD Plans shall be \$5,000,000.00 (the "**Initial Build-Out Cost**"). Tenant agrees that an additional \$2.00 per square foot shall be added to the Base Rent, prorated based on the actual square footage being used by Tenant, for each \$1,000,000.00 spent by Landlord to build out the RMD Plans in excess of the Initial Build-Out Cost (the "**Additional Build-Out Cost**"). Landlord agrees that in no event shall Tenant be responsible to Landlord for any additional rent for an Additional Build-Out Cost that exceeds \$7,000,000.00. Landlord and Tenant agree to finalize the RMD Plans within two (2) months following the Effective Date. Any modifications and changes to the RMD Plans must be agreed to in writing by both Parties. Tenant understands that Rent Commencement shall begin upon delivery of the Premises in a condition ready for any part of the Approved Use as long as Tenant receives the necessary approvals for that part of the Approved Use. Landlord acknowledges that the Base Rent shall be prorated based on the actual square footage being used by Tenant for an Approved Use and shall increase as Tenant gets additional approval for an Approved Use.

11. ALTERATIONS – ADDITIONS

Tenant shall not make any type of alterations or additions to the Premises without Landlord's prior written consent, which consent may not be unreasonably withheld, conditioned, delayed, or denied. Any alterations or improvements to be made by Tenant ("Tenant's Work"), shall be at Tenant's sole cost and expense, and Tenant shall diligently pursue Tenant's Work to completion. Tenant shall perform Tenant's Work in a good and workmanlike manner using new and first-class materials and supplies, free from defects in design, construction, workmanship and materials, in accordance with all Applicable Laws and the fire insurance rating association having jurisdiction over the Premises. Tenant agrees that in no event shall Tenant's Work decrease the value of the Premises. Tenant shall not permit any mechanics' or materialman's liens to be placed, or if placed, shall cause the same to be removed within fifteen (15) days after recording thereof. Tenant's Work shall become the property of Landlord at the termination of occupancy as provided herein, except that Tenant may remove personal property and trade fixtures in accordance with the terms of Section 21 hereof. To the extent that Landlord does approve Tenant's Work or any other work to be performed by or for Tenant, including, without limitation, matters related to or arising out of the design and/or construction of the work, including any errors or omissions contained therein, Tenant's Work and such other work shall be Tenant's sole responsibility without cost or liability to Landlord. Notwithstanding anything to the contrary contained in this Lease, Landlord may condition the right of Tenant to do any work, including, without limitation, Tenant's Work, on lien bonds, escrows, indemnities, certification(s) from contractor(s), as described below, or other conditions acceptable to Landlord to prevent liens from arising against the Property or this Lease. If required by Landlord, such certification(s) from contractor(s) engaged by Tenant shall be in form and substance acceptable to Landlord and provide, *inter alia*, that the work is being performed for Tenant and Tenant's benefit and not Landlord nor Landlord's benefit. This Section and Section 10 shall survive the expiration or earlier termination of this Lease.

12. ASSIGNMENT – SUBLEASING

Tenant shall not assign, mortgage, pledge or encumber this Lease nor sublet all or any part of the Premises, nor permit or allow the use of all or any part of the Premises by third party users, such as concessionaires, without, on each occasion, obtaining Landlord's prior written consent which shall not be unreasonably withheld, conditioned, delayed or denied, provided however, that such consent shall be conditioned, *inter alia*, upon the following conditions precedent: (i) the use of the Premises will continue to comply with the terms and conditions of this Lease, including, but not limited to, the use provisions and with any assignee or sublessee securing all Approvals to operate the business at the Premises for the Permitted Use; (ii) there exists no default by Tenant under this Lease and no fact nor circumstances which, with the giving of notice, the passage of time, or both, would constitute a default by Tenant under this Lease; (iii) as to an assignment, the assignee, on Landlord's form, *inter alia*, assumes and agrees to pay and perform all the obligations of Tenant under the Lease jointly and severally with Tenant and as to a sublease, the subtenant executes Landlord's form regarding subleases; and (iv) there is compliance with the other provisions of this Section 12. As used herein the term "assign" or "assignment" shall be deemed to include, without limitation: (x) any transfer of Tenant's interest in the Lease by operation of law, the merger or consolidation of Tenant with or into any other firm or corporation; or (y) the transfer or sale of a controlling interest in Tenant whether by sale of its capital stock, membership interest or otherwise. No sublease shall be permitted for a rent of less than the rent hereunder on a per square foot basis. Notwithstanding anything to the contrary contained herein, at Landlord's option, in Landlord's sole discretion, any assignment in violation of the provisions of this Section shall result in this Lease being binding upon the assignee, jointly and severally, with Tenant.

In the event of the assignment or subletting by Tenant for which Landlord's written approval has been obtained, Tenant shall remain primarily liable with the new tenant, jointly and severally, for the payment of any and all Base Rent and other amounts which may become due by the terms of this Lease and for the performance of all covenants, agreements and conditions on the part of Tenant to be performed hereunder. No such assignment or sublease shall be valid or effective unless (i) it is approved in advance in writing by Landlord and (ii) the assignee, or sublessee, together with Tenant enter into an agreement on Landlord's form, providing, *inter alia* (a) as to assignee, that assignee be bound directly to Landlord, jointly and severally with Tenant, and (b) limiting the use of the Premises to the specific use allowed under this Lease. No modification of the terms of this Lease or any course of dealing between Landlord and any assignee or sublessee of Tenant's interest herein shall operate to release or impair Tenant's obligations hereunder.

The consent by Landlord to any assignment, mortgage, pledge or subletting shall not constitute a waiver of the necessity of such consent to any subsequent assignment or subletting. Tenant shall pay all Landlord's attorneys' fees and expenses incurred from time to time, with, at the option of Landlord, Landlord's estimate of such fees and expenses paid in advance by Tenant, in connection with each Tenant's request to assign or sublet this Lease or Tenant's request for Landlord to take any other action under this Section 12, whether or not Landlord withholds or provides its consent hereunder.

13. SUBORDINATION

This Lease shall be automatically subject and subordinate to any and all mortgages, deeds of trust, ground leases and other instruments in the nature of a mortgage or ground lease now or at any time hereafter a lien on the Property without requiring any writing by Tenant. Tenant shall, when requested, promptly (within five (5) days) execute and deliver such written instruments as may be requested by Landlord, its lender(s) and/or its ground lessor(s) to confirm the subordination of this Lease to mortgages, deeds of trust, ground leases or other instruments in the nature thereof. Should Tenant fail to execute, acknowledge and deliver such instruments within five (5) days after Landlord's written request, Tenant hereby appoints Landlord and its successors and assigns, as Tenant's irrevocable attorney-in-fact to execute, acknowledge and deliver any such instrument for and on behalf of Tenant. The foregoing subordination is expressly conditioned upon Tenant reserving the right to continued occupancy of the Premises in accordance with the terms of this Lease for so long as Tenant is not in default hereunder, as that term is defined in this Lease, notwithstanding any mortgage foreclosure or termination of ground lease. Tenant agrees not to assert any claim, other than its right of recognition and non-disturbance set forth above, against a foreclosing mortgagee for any obligation of Landlord other than obligations first arising and then continuing while mortgagor is in control of the Property.

Tenant agrees that Tenant will recognize as its landlord under this Lease and shall attorn to any person succeeding to the interest of Landlord upon any foreclosure of any mortgage or deed of trust upon the Property or upon the execution of any deed in lieu of such foreclosure in respect of such mortgage or deed of trust on the condition that such successor in interest does not, prior to a default hereunder, disturb any of the rights of Tenant under this Lease.

14. LANDLORD'S ACCESS

Landlord or agents of Landlord may enter the Premises (i) to view the Premises during normal business hours upon reasonable advance communication (written or oral), except in the event of an emergency, in which case no communication is required, (ii) to require removal of placards and signs not approved and affixed as herein provided, (iii) to make repairs and alterations as Landlord should elect or be required under this Lease or pursuant to law to do and, as Landlord elects, to maintain use, repair, replace, relocate

or introduce pipes, ducts, wires, meters and any other fixtures or equipment serving or to serve the Premises or other parts of the Building including, without limitation, common areas and common facilities and premises of other tenant(s), or to maintain or repair any portion of the Building upon reasonable advance communication (written or oral) except in the event of an emergency in the Premises or elsewhere, in which case no communication is required for Landlord or agents of Landlord to enter the Premises to take such measures as may be needed to cope with such emergency, (iv) to show the Premises to others during normal business hours upon reasonable advance communication (written or oral), (v) to affix to any suitable part of the Premises a sign or notice for selling the Property and keep the same so affixed without hindrance or molestation, and (vi) at any time within six (6) months before the expiration of the Term, to affix to any suitable part of the Premises a notice for letting the Premises and keep the same so affixed without hindrance or molestation. Except in an emergency, Landlord shall use reasonable efforts under the circumstances, taking into consideration that Landlord needs to complete such work in a cost-effective and efficient manner, to exercise its rights set forth in this Section 14 in a manner not to materially and adversely interfere with Tenant's business operations, with Tenant agreeing to cooperate with Landlord in relation to Landlord's exercise of such rights set forth in this Section, including, without limitation, Tenant removing Tenant's furniture, fixtures, equipment and personnel from work areas and with Tenant recognizing Landlord's need to timely complete such work. Tenant shall cooperate with Landlord in connection with the foregoing access and for the purposes described above, and if requested by Landlord, Tenant agrees to make Landlord an agent of Tenant pursuant to Applicable Law, at Tenant's expense, for the purpose of providing Landlord with the right to access pursuant to this Section 14. Notwithstanding the foregoing provisions of this Section 14, in accessing the Premises and all limited access areas contained therein, the Parties agree to at all times comply with the operational and security requirements at 105 CMR 725.000 *et al.*

15. INDEMNIFICATION AND LIABILITY

Tenant shall exonerate, indemnify, defend and save Landlord harmless from all loss, cost and damage and expense, including reasonable attorneys' fees (a) on account of personal injury and property damage occurring at the Premises and all loss, cost and damage, including reasonable attorneys' fees, caused by Tenant or on account of any default by Tenant hereunder or by any nuisance made or suffered on the Premises or (b) incurred by Landlord on account of any personal injury and/or property damage asserted by Tenant or any of Tenant's agents, employees, contractors, officers, directors, shareholders, invitees and others for whom Tenant may be responsible, or (c) arising out of or related to the Permitted Use, including, without limitation, any injuries to persons or property, or (d) violations of Applicable Laws. This paragraph shall not exculpate Landlord from Landlord's negligent acts or omissions.

Landlord and Tenant release each other, to the extent of their respective insurance coverages (or what would have been covered had the insurance required by this Lease been carried) from any claims and demands of whatever nature for damage, loss or injury to the Property or to the other's property in, on or about the Premises and the Property that are caused by or result from risks or perils insured against under any property insurance policies required by the Lease to be maintained. Landlord and Tenant shall cause their insurers to waive any right of recovery by way of subrogation against either Landlord or Tenant in connection with any property damage covered by any such policies. Provided, however, the foregoing shall not be construed to release or alter Tenant's agreements and obligations required by any other paragraph of this Lease to be performed and/or undertaken by Tenant.

This Section shall survive the expiration or earlier termination of this Lease.

16. TENANT'S INSURANCE

Tenant shall maintain with respect to the Premises and the Property of which the Premises are a part (i) casualty insurance covering all of Tenant's fixtures, equipment and personal property, in an amount at least equal to the full replacement cost and without application of a co-insurance penalty; (ii) commercial general liability insurance covering the insured against claims of bodily injury, personal injury, including, without limitation, product liability insurance, and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including the performance by Tenant of the indemnities set forth herein, with a combined single limit per occurrence of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate; and (iii) product liability insurance for not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate.

17. FIRE, CASUALTY-EMINENT DOMAIN

Should a substantial portion of the Premises be substantially damaged by fire or other casualty, or be taken by eminent domain, and it is mutually determined by Landlord and Tenant that the Permitted Use will be infeasible at the Premises, Landlord or Tenant may elect to terminate this Lease upon providing thirty (30) days' notice to the other party. When such fire, casualty, or taking renders the Premises substantially unsuitable for the Permitted Use, a just and proportionate abatement of rent shall be made, and Tenant may elect to terminate this Lease if: (a) Landlord fails to give written notice within sixty (60) days of its intention to restore Premises, or (b) Landlord fails to restore the Premises to a condition suitable for the Permitted Use within one hundred eighty (180) days after said fire, casualty or taking.

Landlord reserves, and Tenant grants to Landlord, all rights which Tenant may have for damages or injury to the Premises on account of any condemnation or taking by eminent domain, except that nothing herein shall limit Tenant's right to seek a separate award for damages to Tenant's fixtures, property or equipment provided the payment of which shall not reduce the award payable to Landlord.

18. DEFAULT AND REMEDIES

a. Landlord shall have the right to terminate this Lease in the event that any of the following occur (each a "**Default**" hereunder):

i. Tenant (a) shall fail to maintain insurance as required under this Lease or comply with the Approvals or other Applicable Laws related to Tenant's Permitted Use or Landlord's insurance is cancelled as a result of Tenant's Permitted Use and Tenant is unable to find replacement insurance for Landlord within sixty (60) days of the notice of the cancellation; or (b) shall fail to timely comply with the terms of Section 12, Section 19, Section 29.C. or Section 29.D. of this Lease; or (c) shall fail to timely pay any installment of Rent or other sum herein specified and such failure shall continue for twenty (20) days after the due date hereof; or (d); has its RMD registration suspended or revoked and such suspension and revocation is not cured within a period of ninety (90) days;

ii. Tenant shall fail to observe or perform any of Tenant's covenants, agreements, or obligations hereunder other than a failure as set forth in Sections 18.a.i. above and 18.a.iii. below, and such failure shall not be corrected within sixty (60) days after written notice ("**Non-Monetary Breach Notice**") thereof; or

iii. Tenant shall file a petition under any bankruptcy or insolvency or similar law, or if Tenant shall be declared bankrupt or insolvent according to law, or if any assignment shall be made of Tenant's property for the benefit of creditors.

b. Following a Default by Tenant, Landlord shall have the right thereafter to re-enter and take complete possession of the Premises, to declare the Term of this Lease ended, and/or to remove Tenant's effects, without prejudice to any rights or remedies hereunder, including, without limitation, which Tenant effects might be otherwise used for arrears of rent, other amounts due hereunder or in relation to other Default(s) or otherwise as provided in Section 21 of this Agreement and to exercise such

other rights and remedies as may be available at law or in equity, If Tenant shall Default under this Lease, Landlord, without being under any obligation to do so and without thereby waiving such Default, may remedy such Default for the account and at the expense of Tenant. If Landlord makes any expenditures or incurs any obligation for the payment of money in connection with this Lease and/or Default by Tenant under this Lease, including but not limited to, attorneys' fees in instituting, prosecuting or defending any action or proceedings applicable to this Lease, including, without limitation, Tenant's Default hereunder or Tenant's use of the Premises, such sums paid or obligations incurred, with interest at the Default Rate shall be paid to Landlord by Tenant upon demand. Tenant shall pay all Landlord's costs, including attorneys' fees, in enforcing, defending, collecting and/or interpreting Landlord's rights under this Lease.

Notwithstanding any provision of this Lease to the contrary, Landlord hereby agrees that Landlord's rights and remedies following Tenant's Default shall not include the seizure of assets protected by St. 2012, ch. 369, St. 2016, ch. 334, St. 2017, ch. 55, G.L. c. 94G, G.L. c. 94I, all as amended or replaced, and all regulations and applicable local laws promulgated pursuant thereto (i.e. any product containing any amount of marijuana). Landlord shall not be entitled to a repayment or remedy that provides Landlord inventory of Tenant that contains any amount of marijuana, in any form, whether flower or infused product. Landlord hereby forfeits any such remedy. In addition, Landlord hereby understands and agrees that a Certificate of Registration, whether provisional or final, is nontransferable, and may not be assigned or transferred without prior DPH or CNB approval. Landlord agrees that Tenant's Certificate of Registration is not an asset that may be seized by Landlord or available as a remedy for Tenant's Default under this Lease.

In the event of a Default by Tenant resulting in Landlord's termination of this Lease, Tenant shall immediately owe Landlord and shall pay Landlord upon written demand the following amounts the total of all amounts then due from Tenant under this Lease ("**Termination Payment**"). Provided Tenant timely otherwise pays and performs its obligations under this Lease, including, without limitation under clauses (i) and (ii) of this paragraph, the rent, if any, Landlord collects for the Premises for the balance of what would have been the Term but for the early termination after first deducting all costs and expenses related to the Default and Landlord exercising its rights and remedies under this Lease, including, without limitation, leasing costs, brokerage commissions, improvement costs, reasonable legal fees and expenses, and other costs incurred by Landlord in connection with the replacement lease, shall be remitted to Tenant, if, as and when received by Landlord, up to but not exceeding the amount paid by Tenant under clause (ii) above. Landlord at Landlord's option may make such alterations, repairs, replacements and decorations at the Premises as Landlord in Landlord's sole judgment considers advisable and necessary for the purpose of re-letting the Premises, and the making of such alterations or decorations shall not operate or be construed to release Tenant from liability hereunder.

This Section shall survive the expiration or earlier termination of this Lease.

19. NOTICE

Any notice from Landlord to Tenant relating to the Premises or to the occupancy thereof or otherwise relating to this Lease, shall be deemed duly served if left at the Premises or mailed by registered or certified mail, return receipt requested, postage prepaid (deemed served on the date received or rejected on the return receipt), or sent by recognized daytime or overnight delivery service addressed to Tenant at the Premises (deemed served on the date received or rejected on the records of the daytime or overnight delivery service). Any notice from Tenant to Landlord relating to the Premises or to the occupancy thereof, shall be deemed duly served if mailed to Landlord by registered or certified mail, return receipt requested, postage prepaid (deemed served on the date received or rejected on the return receipt), or sent by recognized daytime or overnight delivery service (deemed served on the date received or rejected on the records of the daytime or overnight delivery service) addressed to Landlord at such address as Landlord may from time to time advise Tenant in writing. All rent and notices shall be sent to Valiant Enterprises, LLC, 110 Turnpike Road, Suite 114, Westborough, MA 01581 until notice is sent to Tenant to the contrary.

20. EXPIRATION AND SURRENDER

Tenant shall at the expiration or other termination of this Lease surrender and yield up the Premises and all Tenant's goods and effects from the Premises (including, without hereby limiting the generality of the foregoing, all personal property and trade fixtures and all signs and lettering affixed or painted by Tenant, either inside or outside the Premises) and shall repair any damage to the Premises caused by such removal. Tenant shall deliver to Landlord the Premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the Premises, all of which shall be in good condition, damage by fire or other casualty only excepted. In the event of Tenant's failure to remove any of Tenant's property from the Premises promptly upon expiration or termination of the Lease, Landlord is hereby authorized, without liability to Landlord for loss or damage thereto, and at the sole risk of Tenant, to remove and store any of the property at Tenant's expense, or to retain same under Landlord's control or to sell at public or private sale, without notice, any or all of the property not so removed by Tenant and to apply the net proceeds of such sale to the payment of any sum due thereunder, or to discard or destroy such property, without liability or accounting to Tenant. In addition to the foregoing, to the extent that Landlord is required to comply with Applicable Laws in relation to any goods and effects left behind by Tenant, including, without limitation, related to cannabis and cannabis related products, Tenant shall be responsible for all Landlord's costs and expenses related to such removal of Tenant's goods and effects.

21. TENANT REQUEST FOR REVIEW, APPROVAL OR OTHER ACTION

If Tenant requests Landlord's approval or any other action by Landlord hereunder (except a request for a Landlord required action under Section 9.B.) in relation to an assignment or sublease of the Premises, Tenant shall pay Landlord's attorney fees. Furthermore, if Tenant or any Regulatory Authority requests Landlord to provide any documents or take any actions as a result of Tenant's Permitted Use, which in the reasonable opinion of Landlord requires review by Landlord's counsel, Tenant shall pay Landlord's attorney fees.

22. ENVIRONMENTAL HAZARDS

As used in this Lease, the term "**Hazardous Material**" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "infectious wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under applicable laws pertaining to the protection of the environment or governing the use, release, storage, generation or disposal of Hazardous Materials, whether now existing or hereafter enacted or promulgated ("**Hazardous Materials Laws**"). Tenant and those acting by, through or under Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, discharged, released, spilled or disposed of on, in, under or about the Premises, nor exacerbate any existing condition at the Premises that causes such condition to no longer comply with Hazardous Materials Laws; provided, however, Tenant shall be permitted to have customary cleaning materials and materials for computer, copier and telecopier machines so long as such materials are in small quantities, maintained in a safe manner and used both as directed and pursuant to applicable law. Tenant shall exonerate, indemnify, defend and hold Landlord harmless from and against any and all actions (costs, claims, damages, including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment), liabilities or losses arising from a breach of this prohibition by Tenant or those acting on Tenant's behalf or those acting by, through or under Tenant. This Section shall survive the expiration or earlier termination of this Lease.

23. SIGNAGE

Tenant shall be permitted at its sole cost and expense to install exterior signage on the Premises in compliance with this Section. The design, layout and construction of the sign shall be subject to Landlord's approval, which approval shall not be unreasonably withheld provided the sign is aesthetically pleasing, consistent with the then current signage program at the Property, and in compliance with all applicable codes and ordinances, without the application of any variances or special permits. Tenant shall be responsible, at its sole cost and expense, to obtain all required sign permits from the city or town in which the Property is located and to remove all exterior signs and to maintain the sign in good and first-class condition at all times. Before affixing any signs, Tenant shall submit a final plan of the sign to Landlord for its prior written approval.

24. OTHER PROVISIONS

a. Tenant shall be responsible at its sole cost and expense, to arrange for regular trash removal from an established, commercial trash removal company and a company legally qualified to handle, transport and dispose of cannabis waste in compliance with Applicable Laws, including, without limitation, any agency or governmental authority overseeing the adult use of cannabis. Tenant shall maintain the area around such dumpster in a neat and clean condition and in compliance with all Applicable Laws, including, without limitation, Board of Health requirements.

b. Tenant will not permit any abandonment of the Premises. Tenant agrees to remain open for business only during the hours permitted by Applicable Laws and permitted by its Licenses and Permits.

c. Tenant shall abide by all reasonable rules and regulations adopted by Landlord from time to time provided they are enforced or waived by Landlord in a non-discriminatory manner in relation to tenants similarly situated at the Property.

d. Recording of this Lease or a copy of this Lease shall be a Default; however, if the Term of the Lease totals seven (7) years or longer, at Tenant's request, Landlord agrees to execute Landlord's form of a Notice of Lease for recording at Tenant's expense, with a copy thereof following recording to be delivered promptly by Tenant to Landlord.

e. The covenants and agreements of Landlord and Tenant shall be binding upon and inure to the benefit of each of them and their respective successors and assigns. No covenant, agreement or liability of any one party as Landlord, shall be binding upon another owner of the Property except for Defaults occurring or incurred during such owner's period of ownership of the Property.

f. For all purposes, Tenant hereby agrees and consents that jurisdiction for any litigation with respect to this Lease and/or enforcement or compliance by or against any of the parties shall be exclusively commenced and processed within the State Courts of the Commonwealth of Massachusetts, and Tenant hereby consents to venue in the counties of Suffolk or Plymouth. For all purposes, rules applicable to addresses for service of process for Landlord and Tenant shall be as required under the Notice provisions of this Lease.

g. If Tenant is more than one person or party, Tenant's obligations shall be joint and several. Unless repugnant to the context, the term, "**Landlord**" and "**Tenant**" mean the entities named above as Landlord and Tenant respectively, together with their respective successors and assigns, subject to Landlord's consent to any Tenant assignment as set forth herein.

h. The headings herein contained are for convenience and shall not be construed a part of this Lease. Tenant's exoneration, indemnity, defend and hold harmless obligations under this Lease shall survive the termination of this Lease.

i. This Lease shall be construed under and be governed by the laws of the Commonwealth of Massachusetts.

j. If any provision of this Lease shall to any extent be invalid, the remainder of this Lease shall not be affected. The enumeration of specific examples of a general provision shall not be construed as a limitation of the general provision. If any provision of this Lease is deemed to be invalid by the DPH or CNB, the Parties agree to renegotiate the invalid provision of the Lease in good faith to effectuate, to the greatest extent possible, the original intent of the Parties while remaining in compliance with all Applicable Laws. This Lease is executed as a sealed instrument and in multiple counterparts, or may be separately executed and assembled as a counterpart, all copies of which are identical, and any one of which is to be deemed to be complete in itself and may be introduced in evidence or used for any purpose without the production of any other copy. A signed counterpart sent by telecopy or as a .pdf by email shall be deemed an original and legally binding on the party signing. Time is of the essence of the obligations of the Parties to be performed within a specific time frame in this Lease.

k. Landlord shall not be deemed to have waived, obligated itself to defer, consented to or granted any postponement to or for Tenant's performance of its obligations under this Lease, unless and until an agreement in writing for such waiver, deferral, consent or postponement has been signed by Landlord. Further, no postponement or delay by Landlord in pursuing collection and/or enforcement of Tenant's obligations under this Lease shall excuse Tenant's subsequent and/or continuing responsibility therefore, whether with respect to prior, then current or future such obligations. No modification or amendment to this Lease shall be valid or binding unless and until in writing and signed by the party against whom enforcement thereof may be sought.

l. No payment by Tenant or acceptance by Landlord of a lesser amount than shall be due Landlord from Tenant shall be deemed to be anything but payment on account, and the acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon a letter accompanying said check, that said lesser amount is payment in full shall not be deemed an accord and satisfaction, and Landlord may accept said check without prejudice to recover the balance due or pursue any other remedy.

m. Tenant and Landlord hereby waive, to the fullest extent permitted by law, any present or future right to trial by jury in any action or proceeding relating directly or indirectly to or arising out of this Lease or in any manner relating to the Premises, the Building or the Property. This waiver of right to trial by jury is given knowingly and voluntarily by Landlord and Tenant.

n. Notwithstanding anything contained in this Lease to the contrary, in the event that Federal law enforcement priorities change such that Tenant's use of the Premises become impracticable or puts the Landlord at an unreasonable risk of Federal law enforcement action affecting the Premises or title thereof, Tenant shall have the right, at its sole discretion, to terminate this lease upon sixty (60) days written notice to the Tenant.

o. Tenant covenants and agrees to keep the rental rate(s), the Term and other financial and business terms, and the form of this Lease (collectively, “**Confidential Information**”) completely confidential; provided, however, that (i) such Confidential Information may be disclosed by Tenant to those of its officers, employees, attorneys, accountants, lenders and financial advisors who need to know such information in connection with Tenant's use and occupancy of the Premises and for financial reporting and credit related activities (it being understood that Tenant shall inform its representatives of the confidential nature of the Confidential Information and that such representatives shall be directed by Tenant, and shall each expressly agree, to treat such Confidential Information confidentially in accordance with the terms of this Section), and (ii) unless if required by applicable law or pursuant to court order, any other disclosure of such Confidential Information may only be made if Landlord consents in writing prior to any such disclosure.

p. All inventory, equipment, goods, merchandise, furniture, fixtures and property of every kind which may be on or about the Premises shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the use or abuse of water or by the leaking or bursting of water pipes, or by rising water, or by roof or other structural leak, or in any other way or manner, no part of such loss or damage shall be charged to or borne by Landlord in any case whatsoever, except the foregoing shall not exculpate Landlord from its own negligent acts or omissions. Tenant agrees to maintain full and adequate insurance coverage on all of its property at the Premises, and such insurance on Tenant's property shall contain a waiver of subrogation clause in favor of Landlord, or shall name Landlord as an additional insured for the sole purpose of preventing a subrogation claim against Landlord.

[Remainder of page intentionally left blank]

Executed under seal as of October 29, 2018.

LANDLORD:

Valiant Enterprises, LLC

By: /s/ Robert C. Carr Jr.

Name: Robert C. Carr Jr.

Title:

TENANT:

Nature's Remedy of Massachusetts, Inc.

By: /s/ Robert C. Carr Jr.

Name: Robert C. Carr Jr.

Title:

**Jushi Holdings Inc.
Stock Option Grant Notice**

Jushi Holdings Inc. (the “**Company**”), under its Amended 2019 Equity Incentive Plan (the “**Plan**”), hereby grants to Optionholder an option (the “**Option**”) to purchase the number of subordinate voting shares of the Company’s common stock (the “**Shares**”) set forth below, subject to and conditioned upon shareholder approval of the Company’s adoption of the Plan. This Option is subject to all of the terms and conditions as set forth in this notice (the “**Grant Notice**”), in the Option Agreement and in the Plan, both of which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in the Option Agreement and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	10 years after grant date

Type of Grant: ☒ Incentive Stock Option ☐ Nonstatutory Stock Option

Exercise Schedule: Options are exercisable at any time following vesting until the end of the Term.

Vesting Schedule:

One-fourth of the Options shall immediately be vested as of the Date of Grant, and the remaining Options shall vest one-fourth and shall cease to subject to a substantial risk of forfeiture on the each of the end of the second, third and fourth quarters of ____ (each such anniversary a “Vesting Date”), provided that the Optionholder remains in Continuous Service through such Vesting Date. Any fractional share will be rounded down to the nearest whole Share.

Payment: By one or a combination of the following items:

- By cash, check, bank draft, electronic funds or wire transfer, or money order payable to the Company; or
- By a “net exercise” arrangement, whereby Shares that would otherwise be issued on exercise will be deemed exercised but then immediately tendered back to the Company.

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Grant Notice, the Option Agreement and the Plan.

As of the Date of Grant, this Grant Notice, the Option Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the Option and supersede all prior oral and written agreements with respect to the Option. By accepting the Option, Optionholder consents to receive documents governing the Option by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company from time to time.

* * *

Jushi Holdings Inc.

Optionholder:

By: _____
Signature

Name: _____
Title: _____
Date: _____

By: _____
Signature

Name: _____
Date: _____

Attachments: Option Agreement, Amended 2019 Equity Incentive Plan

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**Jushi Holdings Inc.
Option Agreement**

Pursuant to your Stock Option Grant Notice (the “**Grant Notice**”) and this Option Agreement (this “**Option Agreement**”), Jushi Holdings Inc. (the “**Company**”) has granted you an option (the “**Option**”) under its Amended 2019 Equity Incentive Plan (the “**Plan**”) to purchase the number of subordinate voting shares of the Company’s common stock (the “**Shares**”) indicated in your Grant Notice at the exercise price indicated in your Grant Notice.

1. **Vesting.** The Option will vest as provided in your Grant Notice. Vesting will cease, in all events, on the termination of your Continuous Service after taking into account any acceleration that occurs on your termination.

2. **Number of Shares and Exercise Price.** The number of Shares subject to the Option and the exercise price per Share in your Grant Notice will be adjusted for Capitalization Adjustments as provided in the Plan.

3. **Exercise Restriction for Non-Exempt Employees.** If you are an Employee eligible for overtime compensation under the United States Fair Labor Standards Act of 1938, as amended (that is, a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, you may not exercise your Option until you have completed at least six months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise the Option as to any vested portion prior to such six month anniversary in the case of (i) your death or Disability or

(ii) a Change in Control.

4. **Exercise prior to Vesting (“Early Exercise”).** If permitted in your Grant Notice (*i.e.*, the “Exercise Schedule” indicates “Early Exercise Permitted”), you may elect at any time that is both during the period of your Continuous Service and during the term of your Option, to exercise all or part of your Option, including the unvested portion of your Option; *however*:

- (a) if the exercise restriction for Non-Exempt Employees applies, this Option may not be exercised until such restriction lapses;
 - (b) this Early Exercise feature will expire immediately on your termination of Continuous Service, immediately prior to the effectiveness of an IPO and on the closing of any Change in Control;
 - (c) a partial exercise of your Option will be deemed to cover first vested Shares and then the earliest vesting installments of unvested Shares; and
 - (d) any Shares so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company’s form of Early Exercise Stock Purchase Agreement that will result in the same vesting as if no early exercise had occurred.
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5. **Method of Payment.** You must pay the full amount of the exercise price for the Shares subject to the Option that you wish to exercise. If permitted in your grant notice, you may pay the exercise price through one or more of the following:

(a) Provided that at the time of exercise the Shares subject to this Option is publicly traded, using a program consistent with Regulation T, as provided by the United States Federal Reserve Board (or similar program under applicable foreign law) that, prior to the issuance of Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a “broker-assisted exercise,” “same day sale” or “sell to cover.”

(b) If the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable on exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price. You must submit an additional payment to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole Shares to be issued.

(c) If permitted by the Board at the time of exercise, by delivery to the Company (either by actual delivery or attestation) of already-owned Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. “**Delivery**” for these purposes, in the sole discretion of the Company at the time you exercise the Option (or any vested portion thereof), will include delivery to the Company of your attestation of ownership of such Shares in a form approved by the Company. You may not exercise the Option (or any exercisable portion thereof) by delivery to the Company of Shares if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock.

(d) By cash, check, bank draft, electronic funds or wire transfer, or money order payable to the Company.

6. **Whole Shares.** You may exercise the Option (or any vested portion thereof) only for whole Shares.

7. **Compliance with Laws.** In no event may you exercise the Option (or any vested portion thereof) unless the Shares issuable on exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the Shares would be exempt from the registration requirements of the Securities Act and compliant with all applicable laws, including the documentation requirements of Rule 701(e) of the Securities Act. The exercise of the Option (or any vested portion thereof) also must comply with all other applicable laws and regulations governing the Option. You may not exercise the Option (or any vested portion thereof) if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treasury Regulations Section 1.401(k)-1(d)(3), if applicable).

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8. **Term.** You may not exercise the Option before the Date of Grant or after the expiration of the term of the Option. The term of the Option expires, subject to the provisions of the Plan, on the earliest of the following:

- (a) immediately on the termination of your Continuous Service for Cause;
- (b) three months after the termination of your Continuous Service for any reason other than for Cause, your Disability or your death (except as otherwise provided in Section 8(d) below); *however*, if during any part of such three month period the Option is not exercisable solely because doing so would violate the registration requirements under the Securities Act or, if applicable, the comparable securities laws of another jurisdiction, the Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three months after the termination of your Continuous Service; *provided further*, that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six months after the Date of Grant and (iii) you have vested in a portion of the Option at the time of your termination of Continuous Service, the Option will not expire until the earlier of (A) the later of (1) the date that is seven months after the Date of Grant, and (2) the date that is three months after the termination of your Continuous Service, and (B) the Expiration Date;
- (c) 12 months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d) below);
- (d) 12 months after your death if you die either during your Continuous Service or within three months after your Continuous Service terminates for any reason other than Cause;
- (e) the Expiration Date indicated in your Grant Notice; or
- (f) the day before the 10th anniversary of the Date of Grant.

If the Option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the date that is three months before the date of the Option’s exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of the Option under certain circumstances for your benefit but cannot guarantee that the Option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you exercise the Option more than three months after the date your employment with the Company or an Affiliate terminates.

9. **Exercise.**

(a) You may exercise the vested portion of the Option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company), or making the required electronic election with the Company's electronic platform (e.g., Carta) or designated broker (e.g., E*Trade), and (ii) paying the exercise price and any applicable withholding taxes to the Company's stock plan administrator, or to such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising the Option you agree that, as a condition to any exercise of the Option, you must enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of the Option, (ii) the lapse of any substantial risk of forfeiture to which the Shares are subject at the time of exercise or (iii) the disposition of Shares acquired on such exercise.

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(c) If the Option is an Incentive Stock Option, by exercising the Option you agree that you will notify the Company in writing within 15 days after the date of any disposition of any of the Shares issued on exercise of the Option that occurs within two years after the Date of Grant or within one year after such Shares are transferred on exercise of the Option.

10. **Transferability.** Except as otherwise provided in this Section 10, the Option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) **Certain Trusts.** On receiving written permission from the Board or its duly authorized designee, and only if doing so does not violate Code Section 409A, the incentive stock option rules (if applicable) and applicable securities laws, you may transfer the Option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state or foreign law) while the Option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) **Domestic Relations Orders.** On receiving written permission from the Board or its duly authorized designee, and only if doing so does not violate Code Section 409A, the incentive stock option rules (if applicable) and applicable securities laws, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer the Option pursuant to the terms of a court approved domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to contact the Company's Corporate Secretary regarding the proposed terms of any division of the Option prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If the Option is an Incentive Stock Option, the Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) **Beneficiary Designation.** On receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise the Option and receive the Shares or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise the Option and receive, on behalf of your estate, the Shares or other consideration resulting from such exercise.

11. **Right of First Refusal and Other Prohibition on Transfer.** Before any Shares held by you or any transferee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company must consent as set forth below and the Company or its assignee(s) shall have a right of first refusal to purchase such Shares on the terms and conditions set forth in this Section 11 (the "**Right of First Refusal**").

(a) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "**Offered Price**"); and (v) that the Holder shall offer to sell the Shares to the Company and/or its assignee(s) at the Offered Price.

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(b) **Exercise of Right of First Refusal.** At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) **Purchase Price.** The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of the Company in good faith.

(d) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee) or by any combination thereof.

(e) **Holder's Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within 120 days after the date of the Notice, (ii) any such sale or other transfer is effected in accordance with any applicable securities laws and if requested by the Company, the Holder shall have delivered an opinion of counsel acceptable to the Company to that effect and (iii) the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) **Exempt Transfers.** Despite anything to the contrary in this Agreement, the following transfers of vested Shares shall be exempt from the Right of First Refusal: (i) the transfer of any or all of the Shares on your death by will or intestacy to the your "immediate family" (as defined below) but only if each such transferee or other recipient agrees in a writing satisfactory to the Company that the Right of First Refusal (and all other restrictions on transfer set forth in this Agreement) shall continue to apply to the transferred Shares in the hands of such transferee or other recipient; (ii) any transfer of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal shall continue to apply thereafter to such Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights of the Company unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Shares pursuant to the winding up, liquidation or dissolution of the Company. As used herein, the term "immediate family" shall mean the your spouse, lineal descendant or antecedent, brother or sister, adopted child or grandchild or the spouse of any child, adopted child, grandchild or adopted grandchild of yours.

(g) **Termination of Right of First Refusal and Prohibition on Transfer.** The Right of First Refusal and the prohibition on transfer set forth above shall terminate as to all Shares issued on exercise of your Option on the earlier of (i) first sale of Shares by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

12. **Option not a Service Contract.** The Option is not an employment or service contract, and nothing in the Option, the Grant Notice, this Option Agreement or the Plan will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in the Option, the Grant Notice, this Option Agreement or the Plan will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. **Withholding Obligations.**

(a) At the time you exercise the Option, in whole or in part, and at any time thereafter as the Company requests, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company and your grant notice), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with the exercise of the Option.

(b) You may not exercise the Option unless the tax withholding obligations of the Company and any Affiliate are satisfied. Accordingly, you may not be able to exercise the Option when desired even though the Option is vested, and the Company will have no obligation to issue a certificate for Shares unless such obligations are satisfied.

14. **Tax Consequences.**

(a) **No Obligation to Minimize Taxes.** You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or your other compensation. In particular, you acknowledge that the Option is exempt from Section 409A only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per Share subject to this Option on the Date of Grant and there is no other impermissible deferral of compensation associated with the Option. Because the Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, which may or may not have been in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the U.S. Internal Revenue Service will agree with the valuation as determined by the Board, and you shall not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates if the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

(b) **Early Exercise – 83(b) Election.** You also agree that if you are permitted to exercise this Option prior to vesting, and in connection with that exercise, you wish to file an "83(b) election," it is entirely your responsibility to timely file that election with the applicable taxing authority and provide a copy of that filing to the Company prior to the end of the calendar year in which you exercise the Option.

(c) **83(i) Election.** You also agree that if you are permitted to exercise this Option and make an election under Code Section 83(i), and if, in connection with that exercise, you wish to file an "83(i) election," it is entirely your responsibility to timely file that election with the applicable taxing authority and provide a copy of that filing to the Company prior to the end of the calendar year in which you exercise the Option.

(d) **Golden Parachute Taxes.** You also agree that if the benefits provided for in connection with this Option or otherwise payable to you by the Company or any successor thereto (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then your benefits will be either (1) delivered in full or (2) delivered to such lesser extent as would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by you on an after-tax basis, of the greatest amount of benefits, despite that all or some of such benefits may be taxable under Section 4999 of the Code. On the reasonable request of the Company, you agree to execute a waiver of your right to receive that portion of any benefits provided hereunder or otherwise, in a manner that satisfies the stockholder approval requirements under Section 280G(b)(5)(B) of the Code, so that no payment or benefit provided hereunder or otherwise to you will be a "parachute payment" under Section 280G(b) of the Code.

15. **Notices.** Any notices provided for in the Option, this Option Agreement, the Grant Notice or the Plan will be given in writing and will be deemed effectively given on receipt or, in the case of notices delivered by mail by the Company to you, five days after deposit in the U.S. mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting the Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. **Governing Plan Document.** The Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In addition, the Option (and any compensation paid or Shares issued under the Option) is subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or for a "constructive termination" (or similar term) under any agreement with the Company.

17. **Effect on Other Employee Benefit Plans.** The value of the Option will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify or terminate any of the Company's or any Affiliate's employee benefit plans.

18. **Voting Rights.** You will not have voting or any other rights as a stockholder of the Company with respect to the Shares to be issued pursuant to the Option until such Shares are issued to you. On such issuance, you will obtain full voting and other rights as a stockholder of the Company. However, the Company may require, as a

condition to such issuance, you to appoint the Company's Chief Executive Officer or other member of the Board as having the sole and exclusive power of attorney to vote all such Shares subject to the Option, which power shall be effective until the earlier of the completion of a Change in Control or an IPO. The Company may also require, as a condition to such issuance, you to execute an agreement pursuant to which you agree to join the Company's then-current stockholder agreements. Nothing contained in the Option, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

19. **Severability.** If all or any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. **Vested Share Repurchase Option**

(a) **Vested Share Repurchase Option.** The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all of the vested Shares purchased on the exercise of this Option (the "**Vested Shares**") if (i) your employment is terminated by the Company or any of its Subsidiaries or Affiliates for Cause, or (ii) you breach the terms of any restrictive covenant agreements with the Company or any of its Subsidiaries or Affiliates, including the Employee Proprietary Information and Inventions Agreement by and between you and the Company (the "**Vested Share Repurchase Option**"). The repurchase price for each vested share (the "**Vested Share Repurchase Price**") will be the Fair Market Value per share on the Repurchase Date (as defined below).

(b) **Mechanics of Repurchase.**

(i) The date on which the Company exercises the Company's Vested Share Repurchase Option is the "**Repurchase Date**" and unless otherwise determined by the Board, shall be the 60th day after the event giving rise to the Vested Share Repurchase Option. If required to avoid liability accounting to the Company, the Company's Vested Share Repurchase Option will not occur until the date that is six months following the original purchase of the Vested Shares or such other time necessary to avoid liability accounting to the Company, and such date shall be the Repurchase Date.

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(ii) As of the Repurchase Date, the Company and/or its assignee(s) will become the legal and beneficial owner of such Vested Shares and all rights and interests therein or relating thereto. The Company and/or its assignee(s) will have the right to retain and transfer to their own names the number of Vested Shares being repurchased by the Company and/or its assignee(s), and you will no longer be considered the owner of the Vested Shares repurchased by the Company for record or any other purposes. The Vested Share Repurchase Price will be payable, at the option of the Company, in cash (including electronic wire transfer), by check, by cancellation of any debt owed by you to the Company or by any combination of the aforementioned methods. Within 30 days following the Repurchase Date, the Company and/or its assignee(s) will tender payment for the Vested Shares being repurchased. You agree to execute and deliver to the Company all documents necessary to transfer ownership of the Vested Shares to the Company, including, without limitation, any certificates evidencing the Vested Shares subject to the Company's Vested Share Repurchase Option.

(c) **Your Rights.** If the Company exercises its Vested Share Repurchase Option, as of the Repurchase Date, your only remaining right under this Agreement will be the right to receive the Vested Share Repurchase Price, and you will have no right whatsoever to retain the Vested Shares and will have no rights as a stockholder with respect to such Vested Shares.

(d) **Termination of Share Option Repurchase Option.** The Vested Share Repurchase Option will terminate as to all Vested Shares on the earlier of (i) the first sale of Shares by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

21. **Escrow.** As security for your faithful performance of the terms of this Agreement and to insure the availability for delivery of your Vested Shares on exercise of the Vested Share Repurchase Option, as well as the Company's Right of First Refusal, you agree, upon an exercise hereunder, to deliver to and deposit with the Secretary of the Company or the Secretary's designee ("**Escrow Agent**"), as Escrow Agent, three stock powers together with all certificates evidencing all of the Vested Shares. These documents are to be held by the Escrow Agent and delivered by said Escrow Agent pursuant to Joint Escrow Instructions provided by the Company and delivered to the Escrow Agent upon exercise of the Option.

22. **Miscellaneous.**

(a) The rights and obligations of the Company under the Option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

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(b) You agree on request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Option.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(d) The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of Optionholder above for receipt of notices shall be effective service of process for any action, suit or proceeding brought pursuant to this Agreement. The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the parties and may be enforced in any other courts to whose jurisdiction a party is or may be subject, by suit upon such judgment.

* * *

This Option Agreement, together with any appendix attached hereto that addresses local or foreign legal requirements, will be deemed to be signed by you on the signing by you of the Grant Notice to which it is attached.

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**Jushi Holdings Inc.
Stock Option Grant Notice**

Jushi Holdings Inc. (the “**Company**”), under its Amended 2019 Equity Incentive Plan (the “**Plan**”), hereby grants to Optionholder an option (the “**Option**”) to purchase the number of subordinate voting shares of the Company’s common stock (the “**Shares**”) set forth below, subject to and conditioned upon shareholder approval of the Company’s adoption of the Plan. This Option is subject to all of the terms and conditions as set forth in this notice (the “**Grant Notice**”), in the Option Agreement and in the Plan, both of which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in the Option Agreement and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	10 years after grant date

Type of Grant: ☐ Incentive Stock Option ☐ Nonstatutory Stock Option

Exercise Schedule: Options are exercisable at any time following vesting until the end of the Term.

Vesting Schedule:

The Option will vest over a **[Choose One: three-year or five-year]** period. Subject to Optionholder’s Continuous Service on each vesting date, this Option will vest as to **[Choose One: 33 1/3% or 20%]** of the total number of Shares subject to the Option one year after the Vesting Commencement Date and as to **[Choose Same One as Before: 33 1/3% or 20%]** of the total number of Shares subject to this Option each year thereafter. Any fractional share will be rounded down to the nearest whole Share.

Payment: By one or a combination of the following items:

- By cash, check, bank draft, electronic funds or wire transfer, or money order payable to the Company; or
- By a “net exercise” arrangement, whereby Shares that would otherwise be issued on exercise will be deemed exercised but then immediately tendered back to the Company.

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Grant Notice, the Option Agreement and the Plan.

As of the Date of Grant, this Grant Notice, the Option Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the Option and supersede all prior oral and written agreements with respect to the Option. By accepting the Option, Optionholder consents to receive documents governing the Option by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company from time to time.

* * *

Jushi Holdings Inc.

By: _____
Signature

Name: _____
Title: _____
Date: _____

Optionholder:

By: _____
Signature

Name: _____
Date: _____

Attachments: Option Agreement, Amended 2019 Equity Incentive Plan

**Jushi Holdings Inc.
Option Agreement**

Pursuant to your Stock Option Grant Notice (the “**Grant Notice**”) and this Option Agreement (this “**Option Agreement**”), Jushi Holdings Inc. (the “**Company**”) has granted you an option (the “**Option**”) under its Amended 2019 Equity Incentive Plan (the “**Plan**”) to purchase the number of subordinate voting shares of the Company’s common stock (the “**Shares**”) indicated in your Grant Notice at the exercise price indicated in your Grant Notice.

1. **Vesting.** The Option will vest as provided in your Grant Notice. Vesting will cease, in all events, on the termination of your Continuous Service after taking into account any acceleration that occurs on your termination.

2. **Number of Shares and Exercise Price.** The number of Shares subject to the Option and the exercise price per Share in your Grant Notice will be adjusted for Capitalization Adjustments as provided in the Plan.

3. **Exercise Restriction for Non-Exempt Employees.** If you are an Employee eligible for overtime compensation under the United States Fair Labor Standards Act of 1938, as amended (that is, a “*Non-Exempt Employee*”), and except as otherwise provided in the Plan, you may not exercise your Option until you have completed at least six months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise the Option as to any vested portion prior to such six month anniversary in the case of (i) your death or Disability or (ii) a Change in Control.

4. **Exercise prior to Vesting (“Early Exercise”).** If permitted in your Grant Notice (*i.e.*, the “Exercise Schedule” indicates “Early Exercise Permitted”), you may elect at any time that is both during the period of your Continuous Service and during the term of your Option, to exercise all or part of your Option, including the unvested portion of your Option; *however*:

- (a) if the exercise restriction for Non-Exempt Employees applies, this Option may not be exercised until such restriction lapses;
- (b) this Early Exercise feature will expire immediately on your termination of Continuous Service, immediately prior to the effectiveness of an IPO and on the closing of any Change in Control;
- (c) a partial exercise of your Option will be deemed to cover first vested Shares and then the earliest vesting installments of unvested Shares; and
- (d) any Shares so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company’s form of Early Exercise Stock Purchase Agreement that will result in the same vesting as if no early exercise had occurred.

5. **Method of Payment.** You must pay the full amount of the exercise price for the Shares subject to the Option that you wish to exercise. If permitted in your grant notice, you may pay the exercise price through one or more of the following:

- (a) Provided that at the time of exercise the Shares subject to this Option is publicly traded, using a program consistent with Regulation T, as provided by the United States Federal Reserve Board (or similar program under applicable foreign law) that, prior to the issuance of Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a “broker-assisted exercise,” “same day sale” or “sell to cover.”
- (b) If the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable on exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price. You must submit an additional payment to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole Shares to be issued.
- (c) If permitted by the Board at the time of exercise, by delivery to the Company (either by actual delivery or attestation) of already-owned Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. “*Delivery*” for these purposes, in the sole discretion of the Company at the time you exercise the Option (or any vested portion thereof), will include delivery to the Company of your attestation of ownership of such Shares in a form approved by the Company. You may not exercise the Option (or any exercisable portion thereof) by delivery to the Company of Shares if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock.
- (d) By cash, check, bank draft, electronic funds or wire transfer, or money order payable to the Company.

6. **Whole Shares.** You may exercise the Option (or any vested portion thereof) only for whole Shares.

7. **Compliance with Laws.** In no event may you exercise the Option (or any vested portion thereof) unless the Shares issuable on exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the Shares would be exempt from the registration requirements of the Securities Act and compliant with all applicable laws, including the documentation requirements of Rule 701(e) of the Securities Act. The exercise of the Option (or any vested portion thereof) also must comply with all other applicable laws and regulations governing the Option. You may not exercise the Option (or any vested portion thereof) if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treasury Regulations Section 1.401(k)-1(d)(3), if applicable).

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8. **Term.** You may not exercise the Option before the Date of Grant or after the expiration of the term of the Option. The term of the Option expires, subject to the provisions of the Plan, on the earliest of the following:

- (a) immediately on the termination of your Continuous Service for Cause;
- (b) three months after the termination of your Continuous Service for any reason other than for Cause, your Disability or your death (except as otherwise provided in Section 8(d) below); *however*, if during any part of such three month period the Option is not exercisable solely because doing so would violate the registration requirements under the Securities Act or, if applicable, the comparable securities laws of another jurisdiction, the Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three months after the termination of your Continuous Service; *provided further*, that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six months after the Date of Grant and (iii) you have vested in a portion of the Option at the time of your termination of Continuous Service, the Option will not expire until the earlier of (A) the later of (1) the date that is seven months after the Date of Grant, and (2) the date that is three months after the termination of your Continuous Service, and (B) the Expiration Date;
- (c) 12 months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d) below);
- (d) 12 months after your death if you die either during your Continuous Service or within three months after your Continuous Service terminates for any reason other than Cause;
- (e) the Expiration Date indicated in your Grant Notice; or
- (f) the day before the 10th anniversary of the Date of Grant.

If the Option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the date that is three months before the date of the Option’s exercise, you must be an employee of the Company

or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of the Option under certain circumstances for your benefit but cannot guarantee that the Option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you exercise the Option more than three months after the date your employment with the Company or an Affiliate terminates.

9. **Exercise.**

(a) You may exercise the vested portion of the Option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company), or making the required electronic election with the Company's electronic platform (e.g., Carta) or designated broker (e.g., E*Trade), and (ii) paying the exercise price and any applicable withholding taxes to the Company's stock plan administrator, or to such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising the Option you agree that, as a condition to any exercise of the Option, you must enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of the Option, (ii) the lapse of any substantial risk of forfeiture to which the Shares are subject at the time of exercise or (iii) the disposition of Shares acquired on such exercise.

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(c) If the Option is an Incentive Stock Option, by exercising the Option you agree that you will notify the Company in writing within 15 days after the date of any disposition of any of the Shares issued on exercise of the Option that occurs within two years after the Date of Grant or within one year after such Shares are transferred on exercise of the Option.

10. **Transferability.** Except as otherwise provided in this Section 10, the Option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) **Certain Trusts.** On receiving written permission from the Board or its duly authorized designee, and only if doing so does not violate Code Section 409A, the incentive stock option rules (if applicable) and applicable securities laws, you may transfer the Option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state or foreign law) while the Option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) **Domestic Relations Orders.** On receiving written permission from the Board or its duly authorized designee, and only if doing so does not violate Code Section 409A, the incentive stock option rules (if applicable) and applicable securities laws, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer the Option pursuant to the terms of a court approved domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to contact the Company's Corporate Secretary regarding the proposed terms of any division of the Option prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If the Option is an Incentive Stock Option, the Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) **Beneficiary Designation.** On receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise the Option and receive the Shares or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise the Option and receive, on behalf of your estate, the Shares or other consideration resulting from such exercise.

11. **Right of First Refusal and Other Prohibition on Transfer.** Before any Shares held by you or any transferee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company must consent as set forth below and the Company or its assignee(s) shall have a right of first refusal to purchase such Shares on the terms and conditions set forth in this Section 11 (the "**Right of First Refusal**").

(a) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "**Offered Price**"); and (v) that the Holder shall offer to sell the Shares to the Company and/or its assignee(s) at the Offered Price.

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(b) **Exercise of Right of First Refusal.** At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) **Purchase Price.** The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of the Company in good faith.

(d) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee) or by any combination thereof.

(e) **Holder's Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within 120 days after the date of the Notice, (ii) any such sale or other transfer is effected in accordance with any applicable securities laws and if requested by the Company, the Holder shall have delivered an opinion of counsel acceptable to the Company to that effect and (iii) the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) **Exempt Transfers.** Despite anything to the contrary in this Agreement, the following transfers of vested Shares shall be exempt from the Right of First Refusal: (i) the transfer of any or all of the Shares on your death by will or intestacy to the your "immediate family" (as defined below) but only if each such transferee or other recipient agrees in a writing satisfactory to the Company that the Right of First Refusal (and all other restrictions on transfer set forth in this Agreement) shall continue to apply to the transferred Shares in the hands of such transferee or other recipient; (ii) any transfer of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal shall continue to apply thereafter to such Shares, in which case the surviving

corporation of such merger or consolidation shall succeed to the rights or the Company unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Shares pursuant to the winding up, liquidation or dissolution of the Company. As used herein, the term "immediate family" shall mean the your spouse, lineal descendant or antecedent, brother or sister, adopted child or grandchild or the spouse of any child, adopted child, grandchild or adopted grandchild of yours.

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(g) **Termination of Right of First Refusal and Prohibition on Transfer.** The Right of First Refusal and the prohibition on transfer set forth above shall terminate as to all Shares issued on exercise of your Option on the earlier of (i) first sale of Shares by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

12. **Option not a Service Contract.** The Option is not an employment or service contract, and nothing in the Option, the Grant Notice, this Option Agreement or the Plan will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in the Option, the Grant Notice, this Option Agreement or the Plan will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. **Non-Competition; Non-Solicitation.**

(1) **Non-Competition.** In exchange for your access to the Company's confidential information, your Continuous Service, and this grant of equity-based compensation award (regardless of it vests and/or is exercised), you agree that during your Continuous Service and for a period of six (6) months from the date of termination of your Continuous Service for any reason (the "Restricted Period"), you will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than five percent (5%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined). For purposes of this Agreement, the "Restricted Area" is any country, state, province, county, or city in which Company conducts the Restricted Business as of the date of termination of your Continuous Service or conducted the Restricted Business within the one-year period prior to the date of termination of your Continuous Service with the Company. For purposes of this Agreement, "Restricted Business" shall mean the business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products.

(2) **Non-Solicitation of Clients, Investors, Distributors, Vendors, and Suppliers.** In exchange for your access to the Company's confidential information, your Continuous Service, and this grant of equity-based compensation award, you agree that during your Continuous Service and for two (2) years from the date of termination of your Continuous Service for any reason, not to for your own benefit or on behalf of any other person or entity (other than the Company), directly or indirectly through another person or entity: (i) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company for the purpose of encouraging, causing, or inducing the client, investor, distributor, vendor, or supplier to cease or reduce doing business with the Company; (ii) divert opportunities related to the Restricted Business to some person or entity engaged in any part of the Restricted Business (other than for the Company); (iii) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company for the purpose of providing the client, investor, distributor, vendor, or supplier with products or services competitive with those products or services provided by the Company; or (iv) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 13(b) is limited to existing and prospective clients, investors, distributors, vendors, and suppliers of the Company with whom you had material contact or business dealings during your Continuous Service with the Company.

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(3) **Non-Solicitation of Employees, Consultants, and Independent Contractors.** You agree that during the your Continuous Service and for two (2) years from the date of termination of your Continuous Service for any reason, you will not, directly or indirectly (in any capacity, on your own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any employees, consultants, or independent contractors of the Company to terminate their employment, to cease to be engaged by the Company, and/or to terminate or reduce their business relationship with the Company; or (ii) hire, employ, or offer to hire or employ any employee, consultant, or independent contractor of the Company (other than for the Company).

(4) **Scope of Restrictive Covenants.** Company and you recognize and agree that the Company conducts operations and generates revenues from clients throughout the Restricted Area. You acknowledge that the Company would be greatly damaged if you took action that would violate the restrictive covenants of this Section 13 anywhere in the Restricted Area. Accordingly, Company and you agree that the restrictive covenant provisions contained in this Section 13 are applicable to the Restricted Area, and you shall be prohibited from violating the terms of this Section 13 from any location anywhere in the Restricted Area. If there is any conflict between the terms in this Section 13 and any other restrictive covenants applicable to the Holder related to the Holder's Continuous Service, the more restrictive terms will control.

(5) **Reasonableness of Restrictive Covenants.** You agree and acknowledge that to assure the Company that it will retain the value of its operations, it is necessary that you abide by the restrictions set forth in this Agreement. You further agree and acknowledge that during your Continuous Service, you will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. You further agree that the promises made in this Agreement are reasonable and necessary for protection of the Company's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company conducts its business; the Company's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. You agree that the restrictive covenants in this Agreement will not prevent you from earning a livelihood your chosen business, they do not impose an undue hardship on you, and that they will not injure the public.

(6) **Tolling of Restrictive Period.** The time period during which you are to refrain from the activities described in Section 12 of this Agreement will be extended by any length of time during which you are in breach of any provision of this Agreement. You acknowledge that the purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of the restriction from the date of termination of you Continuous Service where you have failed to honor the restrictive covenant until required to do so by court order.

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14. **Withholding Obligations.**

(a) At the time you exercise the Option, in whole or in part, and at any time thereafter as the Company requests, you hereby authorize withholding

from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company and your grant notice), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with the exercise of the Option.

(b) You may not exercise the Option unless the tax withholding obligations of the Company and any Affiliate are satisfied. Accordingly, you may not be able to exercise the Option when desired even though the Option is vested, and the Company will have no obligation to issue a certificate for Shares unless such obligations are satisfied.

15. Tax Consequences.

(a) **No Obligation to Minimize Taxes.** You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or your other compensation. In particular, you acknowledge that the Option is exempt from Section 409A only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per Share subject to this Option on the Date of Grant and there is no other impermissible deferral of compensation associated with the Option. Because the Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, which may or may not have been in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the U.S. Internal Revenue Service will agree with the valuation as determined by the Board, and you shall not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates if the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

(b) **Early Exercise – 83(b) Election.** You also agree that if you are permitted to exercise this Option prior to vesting, and in connection with that exercise, you wish to file an "83(b) election," it is entirely your responsibility to timely file that election with the applicable taxing authority and provide a copy of that filing to the Company prior to the end of the calendar year in which you exercise the Option.

(c) **83(i) Election.** You also agree that if you are permitted to exercise this Option and make an election under Code Section 83(i), and if, in connection with that exercise, you wish to file an "83(i) election," it is entirely your responsibility to timely file that election with the applicable taxing authority and provide a copy of that filing to the Company prior to the end of the calendar year in which you exercise the Option.

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(d) **Golden Parachute Taxes.** You also agree that if the benefits provided for in connection with this Option or otherwise payable to you by the Company or any successor thereto (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then your benefits will be either (1) delivered in full or (2) delivered to such lesser extent as would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by you on an after-tax basis, of the greatest amount of benefits, despite that all or some of such benefits may be taxable under Section 4999 of the Code. On the reasonable request of the Company, you agree to execute a waiver of your right to receive that portion of any benefits provided hereunder or otherwise, in a manner that satisfies the stockholder approval requirements under Section 280G(b)(5)(B) of the Code, so that no payment or benefit provided hereunder or otherwise to you will be a "parachute payment" under Section 280G(b) of the Code.

16. **Notices.** Any notices provided for in the Option, this Option Agreement, the Grant Notice or the Plan will be given in writing and will be deemed effectively given on receipt or, in the case of notices delivered by mail by the Company to you, five days after deposit in the U.S. mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting the Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. **Governing Plan Document.** The Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In addition, the Option (and any compensation paid or Shares issued under the Option) is subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or for a "constructive termination" (or similar term) under any agreement with the Company.

18. **Effect on Other Employee Benefit Plans.** The value of the Option will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify or terminate any of the Company's or any Affiliate's employee benefit plans.

19. **Voting Rights.** You will not have voting or any other rights as a stockholder of the Company with respect to the Shares to be issued pursuant to the Option until such Shares are issued to you. On such issuance, you will obtain full voting and other rights as a stockholder of the Company. However, the Company may require, as a condition to such issuance, you to appoint the Company's Chief Executive Officer or other member of the Board as having the sole and exclusive power of attorney to vote all such Shares subject to the Option, which power shall be effective until the earlier of the completion of a Change in Control or an IPO. The Company may also require, as a condition to such issuance, you to execute an agreement pursuant to which you agree to join the Company's then-current stockholder agreements. Nothing contained in the Option, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

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20. **Severability.** If all or any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

21. Vested Share Repurchase Option

(a) **Vested Share Repurchase Option.** The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all of the vested Shares purchased on the exercise of this Option (the "**Vested Shares**") if (i) your employment is terminated by the Company or any of its Subsidiaries or Affiliates for Cause, or (ii) you breach the terms of any restrictive covenant agreements with the Company or any of its Subsidiaries or Affiliates, including the Employee Proprietary Information and Inventions Agreement by and between you and the Company (the "**Vested Share Repurchase Option**"). The repurchase price for each vested share (the "**Vested Share**")

Repurchase Price”) will be the Fair Market Value per share on the Repurchase Date (as defined below).

(b) **Mechanics of Repurchase.**

(i) The date on which the Company exercises the Company’s Vested Share Repurchase Option is the “**Repurchase Date**” and unless otherwise determined by the Board, shall be the 60th day after the event giving rise to the Vested Share Repurchase Option. If required to avoid liability accounting to the Company, the Company’s Vested Share Repurchase Option will not occur until the date that is six months following the original purchase of the Vested Shares or such other time necessary to avoid liability accounting to the Company, and such date shall be the Repurchase Date.

(ii) As of the Repurchase Date, the Company and/or its assignee(s) will become the legal and beneficial owner of such Vested Shares and all rights and interests therein or relating thereto. The Company and/or its assignee(s) will have the right to retain and transfer to their own names the number of Vested Shares being repurchased by the Company and/or its assignee(s), and you will no longer be considered the owner of the Vested Shares repurchased by the Company for record or any other purposes. The Vested Share Repurchase Price will be payable, at the option of the Company, in cash (including electronic wire transfer), by check, by cancellation of any debt owed by you to the Company or by any combination of the aforementioned methods. Within 30 days following the Repurchase Date, the Company and/or its assignee(s) will tender payment for the Vested Shares being repurchased. You agree to execute and deliver to the Company all documents necessary to transfer ownership of the Vested Shares to the Company, including, without limitation, any certificates evidencing the Vested Shares subject to the Company’s Vested Share Repurchase Option.

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(c) **Your Rights.** If the Company exercises its Vested Share Repurchase Option, as of the Repurchase Date, your only remaining right under this Agreement will be the right to receive the Vested Share Repurchase Price, and you will have no right whatsoever to retain the Vested Shares and will have no rights as a stockholder with respect to such Vested Shares.

(d) **Termination of Share Option Repurchase Option.** The Vested Share Repurchase Option will terminate as to all Vested Shares on the earlier of (i) the first sale of Shares by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

22. **Escrow.** As security for your faithful performance of the terms of this Agreement and to insure the availability for delivery of your Vested Shares on exercise of the Vested Share Repurchase Option, as well as the Company’s Right of First Refusal, you agree, upon an exercise hereunder, to deliver to and deposit with the Secretary of the Company or the Secretary’s designee (“**Escrow Agent**”), as Escrow Agent, three stock powers together with all certificates evidencing all of the Vested Shares. These documents are to be held by the Escrow Agent and delivered by said Escrow Agent pursuant to Joint Escrow Instructions provided by the Company and delivered to the Escrow Agent upon exercise of the Option.

23. **Miscellaneous.**

(a) The rights and obligations of the Company under the Option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company’s successors and assigns.

(b) You agree on request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Option.

* * *

This Option Agreement, together with any appendix attached hereto that addresses local or foreign legal requirements, will be deemed to be signed by you on the signing by you of the Grant Notice to which it is attached.

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**Jushi Holdings Inc.
Stock Option Grant Notice**

Jushi Holdings Inc. (the “**Company**”), under its Amended 2019 Equity Incentive Plan (the “**Plan**”), hereby grants to Optionholder an option (the “**Option**”) to purchase the number of subordinate voting shares of the Company’s common stock (the “**Shares**”) set forth below, subject to and conditioned upon shareholder approval of the Company’s adoption of the Plan. This Option is subject to all of the terms and conditions as set forth in this notice (the “**Grant Notice**”), in the Option Agreement and in the Plan, both of which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in the Option Agreement and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	10 years after grant date

Type of Grant: ☐ Incentive Stock Option ☒ Nonstatutory Stock Option

Exercise Schedule: Options are exercisable at any time following vesting until the end of the Term.

Vesting Schedule:

_____ of the Option will vest and shall cease to be subject to a substantial risk of forfeiture on _____ (each such anniversary a “Vesting Date”), provided that the Grantee remains employed and in Continuous Service through such Vesting Date. Notwithstanding the foregoing, (i) in the event that a Change in Control occurs during the Grantee’s Continuous Service, all of the remaining unvested Shares shall become vested as of immediately prior to such Change in Control; and (ii) if Grantee’s Continuous Service is terminated by the Company or an Affiliate without Cause (as defined below), Grantee terminates his Continuous Service for Good Reason (as defined below) or Grantee’s Continuous Service is terminated due to Grantee’s death or Disability, then all of the remaining unvested Shares will become fully vested on such termination date.

For purposes of this Grant Notice and Option Agreement, “Cause” means with respect to the Grantee: (i) commission of a felony or other crime involving moral turpitude that has been fully adjudicated including all appeals during the Grantee’s Continuous Service; provided, that for the sake of clarity, no action or inaction by Grantee that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause; or (ii) a breach of any applicable fiduciary duty with respect to the Company based on Grantee’s gross negligence or willful misconduct.

For purposes of this Grant Notice and Option Agreement, “Good Reason” means (i) the assignment to the Grantee of any duties materially inconsistent with his position, including any change in status, title, authority, duties or responsibilities or other action which results in a material diminution in such status, title, authority, duties or responsibilities; (ii) a material reduction in the Grantee’s Base Salary by the Company; (iii) the relocation of the Grantee’s principal office to a location more than fifty (50) miles from his then current principal office; or (iv) Grantee finds a replacement for his position and such replacement is approved by the Board.

Payment: By one or a combination of the following items:

- By cash, check, bank draft, electronic funds or wire transfer, or money order payable to the Company; or
- By a “net exercise” arrangement, whereby Shares that would otherwise be issued on exercise will be deemed exercised but then immediately tendered back to the Company.

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Grant Notice, the Option Agreement and the Plan.

As of the Date of Grant, this Grant Notice, the Option Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the Option and supersede all prior oral and written agreements with respect to the Option. By accepting the Option, Optionholder consents to receive documents governing the Option by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company from time to time.

* * *

Jushi Holdings Inc.

By: _____
Signature

Name: _____
Title: _____
Date: _____

Optionholder:

By: _____
Signature

Name: _____
Date: _____

Attachments: Option Agreement, Amended 2019 Equity Incentive Plan

Option Agreement

Pursuant to your Stock Option Grant Notice (the “**Grant Notice**”) and this Option Agreement (this “**Option Agreement**”), Jushi Holdings Inc. (the “**Company**”) has granted you an option (the “**Option**”) under its Amended 2019 Equity Incentive Plan (the “**Plan**”) to purchase the number of subordinate voting shares of the Company’s common stock (the “**Shares**”) indicated in your Grant Notice at the exercise price indicated in your Grant Notice.

1. **Vesting.** The Option will vest as provided in your Grant Notice. Vesting will cease, in all events, on the termination of your Continuous Service after taking into account any acceleration that occurs on your termination.
 2. **Number of Shares and Exercise Price.** The number of Shares subject to the Option and the exercise price per Share in your Grant Notice will be adjusted for Capitalization Adjustments as provided in the Plan.
 3. **Exercise Restriction for Non-Exempt Employees.** If you are an Employee eligible for overtime compensation under the United States Fair Labor Standards Act of 1938, as amended (that is, a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, you may not exercise your Option until you have completed at least six months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise the Option as to any vested portion prior to such six month anniversary in the case of (i) your death or Disability or (ii) a Change in Control.
 4. **Exercise prior to Vesting (“Early Exercise”).** If permitted in your Grant Notice (*i.e.*, the “Exercise Schedule” indicates “Early Exercise Permitted”), you may elect at any time that is both during the period of your Continuous Service and during the term of your Option, to exercise all or part of your Option, including the unvested portion of your Option; *however*:
 - (a) if the exercise restriction for Non-Exempt Employees applies, this Option may not be exercised until such restriction lapses;
 - (b) this Early Exercise feature will expire immediately on your termination of Continuous Service, immediately prior to the effectiveness of an IPO and on the closing of any Change in Control;
 - (c) a partial exercise of your Option will be deemed to cover first vested Shares and then the earliest vesting installments of unvested Shares; and
 - (d) any Shares so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company’s form of Early Exercise Stock Purchase Agreement that will result in the same vesting as if no early exercise had occurred.
-

5. **Method of Payment.** You must pay the full amount of the exercise price for the Shares subject to the Option that you wish to exercise. If permitted in your grant notice, you may pay the exercise price through one or more of the following:
 - (a) Provided that at the time of exercise the Shares subject to this Option is publicly traded, using a program consistent with Regulation T, as provided by the United States Federal Reserve Board (or similar program under applicable foreign law) that, prior to the issuance of Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a “broker-assisted exercise,” “same day sale” or “sell to cover.”
 - (b) If the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable on exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price. You must submit an additional payment to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole Shares to be issued.
 - (c) If permitted by the Board at the time of exercise, by delivery to the Company (either by actual delivery or attestation) of already-owned Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. “**Delivery**” for these purposes, in the sole discretion of the Company at the time you exercise the Option (or any vested portion thereof), will include delivery to the Company of your attestation of ownership of such Shares in a form approved by the Company. You may not exercise the Option (or any exercisable portion thereof) by delivery to the Company of Shares if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock.
 - (d) By cash, check, bank draft, electronic funds or wire transfer, or money order payable to the Company.
6. **Whole Shares.** You may exercise the Option (or any vested portion thereof) only for whole Shares.

7. **Compliance with Laws.** In no event may you exercise the Option (or any vested portion thereof) unless the Shares issuable on exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the Shares would be exempt from the registration requirements of the Securities Act and compliant with all applicable laws, including the documentation requirements of Rule 701(e) of the Securities Act. The exercise of the Option (or any vested portion thereof) also must comply with all other applicable laws and regulations governing the Option. You may not exercise the Option (or any vested portion thereof) if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treasury Regulations Section 1.401(k)-1(d)(3), if applicable).

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8. **Term.** You may not exercise the Option before the Date of Grant or after the expiration of the term of the Option. The term of the Option expires, subject to the provisions of the Plan, on the earliest of the following:
 - (a) immediately on the termination of your Continuous Service for Cause;
 - (b) three months after the termination of your Continuous Service for any reason other than for Cause, your Disability or your death (except as otherwise provided in Section 8(d) below); *however*, if during any part of such three month period the Option is not exercisable solely because doing so would violate the registration requirements under the Securities Act or, if applicable, the comparable securities laws of another jurisdiction, the Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three months after the termination of your Continuous Service; *provided further*, that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six months after the Date of Grant and (iii) you have vested in a portion of the Option at the time of your termination of Continuous Service, the Option will not expire until the earlier of (A) the later of (1) the date that is seven months after the Date of Grant, and (2) the date that is three months after the termination of your Continuous Service, and (B) the Expiration Date;

- (c) 12 months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d) below);
- (d) 12 months after your death if you die either during your Continuous Service or within three months after your Continuous Service terminates for any reason other than Cause;
- (e) the Expiration Date indicated in your Grant Notice; or
- (f) the day before the 10th anniversary of the Date of Grant.

If the Option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the date that is three months before the date of the Option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of the Option under certain circumstances for your benefit but cannot guarantee that the Option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you exercise the Option more than three months after the date your employment with the Company or an Affiliate terminates.

9. Exercise.

(a) You may exercise the vested portion of the Option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company), or making the required electronic election with the Company's electronic platform (e.g., Carta) or designated broker (e.g., E*Trade), and (ii) paying the exercise price and any applicable withholding taxes to the Company's stock plan administrator, or to such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising the Option you agree that, as a condition to any exercise of the Option, you must enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of the Option, (ii) the lapse of any substantial risk of forfeiture to which the Shares are subject at the time of exercise or (iii) the disposition of Shares acquired on such exercise.

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(c) If the Option is an Incentive Stock Option, by exercising the Option you agree that you will notify the Company in writing within 15 days after the date of any disposition of any of the Shares issued on exercise of the Option that occurs within two years after the Date of Grant or within one year after such Shares are transferred on exercise of the Option.

10. **Transferability.** Except as otherwise provided in this Section 10, the Option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) **Certain Trusts.** On receiving written permission from the Board or its duly authorized designee, and only if doing so does not violate Code Section 409A, the incentive stock option rules (if applicable) and applicable securities laws, you may transfer the Option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state or foreign law) while the Option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) **Domestic Relations Orders.** On receiving written permission from the Board or its duly authorized designee, and only if doing so does not violate Code Section 409A, the incentive stock option rules (if applicable) and applicable securities laws, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer the Option pursuant to the terms of a court approved domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to contact the Company's Corporate Secretary regarding the proposed terms of any division of the Option prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If the Option is an Incentive Stock Option, the Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) **Beneficiary Designation.** On receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise the Option and receive the Shares or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise the Option and receive, on behalf of your estate, the Shares or other consideration resulting from such exercise.

11. **Right of First Refusal and Other Prohibition on Transfer.** Before any Shares held by you or any transferee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company must consent as set forth below and the Company or its assignee(s) shall have a right of first refusal to purchase such Shares on the terms and conditions set forth in this Section 11 (the "**Right of First Refusal**").

(a) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "**Offered Price**"); and (v) that the Holder shall offer to sell the Shares to the Company and/or its assignee(s) at the Offered Price.

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(b) **Exercise of Right of First Refusal.** At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) **Purchase Price.** The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of the Company in good faith.

(d) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee) or by any combination thereof.

(e) **Holder's Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the

Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within 120 days after the date of the Notice, (ii) any such sale or other transfer is effected in accordance with any applicable securities laws and if requested by the Company, the Holder shall have delivered an opinion of counsel acceptable to the Company to that effect and (iii) the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) **Exempt Transfers.** Despite anything to the contrary in this Agreement, the following transfers of vested Shares shall be exempt from the Right of First Refusal: (i) the transfer of any or all of the Shares on your death by will or intestacy to the your "immediate family" (as defined below) but only if each such transferee or other recipient agrees in a writing satisfactory to the Company that the Right of First Refusal (and all other restrictions on transfer set forth in this Agreement) shall continue to apply to the transferred Shares in the hands of such transferee or other recipient; (ii) any transfer of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal shall continue to apply thereafter to such Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights or the Company unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Shares pursuant to the winding up, liquidation or dissolution of the Company. As used herein, the term "immediate family" shall mean the your spouse, lineal descendant or antecedent, brother or sister, adopted child or grandchild or the spouse of any child, adopted child, grandchild or adopted grandchild of yours.

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(g) **Termination of Right of First Refusal and Prohibition on Transfer.** The Right of First Refusal and the prohibition on transfer set forth above shall terminate as to all Shares issued on exercise of your Option on the earlier of (i) first sale of Shares by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

12. **Option not a Service Contract.** The Option is not an employment or service contract, and nothing in the Option, the Grant Notice, this Option Agreement or the Plan will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in the Option, the Grant Notice, this Option Agreement or the Plan will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. **Non-Competition.**

(1) **Non-Competition.** In exchange for your access to the Company's confidential information, your Continuous Service, and this grant of equity-based compensation award (regardless of it vests and/or is exercised), you agree that, effective only as of the Date of this Grant through _____, during your Continuous Service and for a period of six (6) months from the date of termination of your Continuous Service for any reason (the "Restricted Period"), you will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than ten percent (10%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined). For purposes of this Agreement, the "Restricted Area" is the United States. For purposes of this Agreement, "Restricted Business" shall mean the multi-state operator business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products; provided, such business has a market capitalization of at least \$500,000,000.

(2) **Scope of Restrictive Covenants.** Company and you recognize and agree that the Company conducts operations and generates revenues from clients throughout the Restricted Area. You acknowledge that the Company would be greatly damaged if you took action that would violate the restrictive covenants of this Section 13 anywhere in the Restricted Area. Accordingly, Company and you agree that the restrictive covenant provisions contained in this Section 13 are applicable to the Restricted Area, and you shall be prohibited from violating the terms of this Section 13 from any location anywhere in the Restricted Area. If there is any conflict between the terms in this Section 13 and any other restrictive covenants applicable to the Holder related to the Holder's Continuous Service, the more restrictive terms will control.

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(3) **Reasonableness of Restrictive Covenants.** You agree and acknowledge that to assure the Company that it will retain the value of its operations, it is necessary that you abide by the restrictions set forth in this Agreement. You further agree and acknowledge that during your Continuous Service, you will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. You further agree that the promises made in this Agreement are reasonable and necessary for protection of the Company's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company conducts its business; the Company's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. You agree that the restrictive covenants in this Agreement will not prevent you from earning a livelihood your chosen business, they do not impose an undue hardship on you, and that they will not injure the public.

(4) **Tolling of Restrictive Period.** The time period during which you are to refrain from the activities described in Section 13 of this Agreement will be extended by any length of time during which you are in breach of any provision of this Agreement. You acknowledge that the purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of the restriction from the date of termination of your Continuous Service where you have failed to honor the restrictive covenant until required to do so by court order.

14. **Withholding Obligations.**

(a) At the time you exercise the Option, in whole or in part, and at any time thereafter as the Company requests, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company and your grant notice), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with the exercise of the Option.

(b) You may not exercise the Option unless the tax withholding obligations of the Company and any Affiliate are satisfied. Accordingly, you may not be able to exercise the Option when desired even though the Option is vested, and the Company will have no obligation to issue a certificate for Shares unless such obligations are satisfied.

15. **Tax Consequences.**

(a) **No Obligation to Minimize Taxes.** You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or

Affiliates related to tax liabilities arising from the Option or your other compensation. In particular, you acknowledge that the Option is exempt from Section 409A only if the exercise price per share specified in the Grant Notice is at least equal to the “fair market value” per Share subject to this Option on the Date of Grant and there is no other impermissible deferral of compensation associated with the Option. Because the Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, which may or may not have been in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the U.S. Internal Revenue Service will agree with the valuation as determined by the Board, and you shall not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates if the Internal Revenue Service asserts that the valuation determined by the Board is less than the “fair market value” as subsequently determined by the Internal Revenue Service.

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(b) **Early Exercise – 83(b) Election.** You also agree that if you are permitted to exercise this Option prior to vesting, and in connection with that exercise, you wish to file an “83(b) election,” it is entirely your responsibility to timely file that election with the applicable taxing authority and provide a copy of that filing to the Company prior to the end of the calendar year in which you exercise the Option.

(c) **83(i) Election.** You also agree that if you are permitted to exercise this Option and make an election under Code Section 83(i), and if, in connection with that exercise, you wish to file an “83(i) election,” it is entirely your responsibility to timely file that election with the applicable taxing authority and provide a copy of that filing to the Company prior to the end of the calendar year in which you exercise the Option.

(d) **Golden Parachute Taxes.** You also agree that if the benefits provided for in connection with this Option or otherwise payable to you by the Company or any successor thereto (i) constitute “parachute payments” within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then your benefits will be either (1) delivered in full or (2) delivered to such lesser extent as would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by you on an after-tax basis, of the greatest amount of benefits, despite that all or some of such benefits may be taxable under Section 4999 of the Code. On the reasonable request of the Company, you agree to execute a waiver of your right to receive that portion of any benefits provided hereunder or otherwise, in a manner that satisfies the stockholder approval requirements under Section 280G(b)(5)(B) of the Code, so that no payment or benefit provided hereunder or otherwise to you will be a “parachute payment” under Section 280G(b) of the Code.

16. **Notices.** Any notices provided for in the Option, this Option Agreement, the Grant Notice or the Plan will be given in writing and will be deemed effectively given on receipt or, in the case of notices delivered by mail by the Company to you, five days after deposit in the U.S. mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting the Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. **Governing Plan Document.** The Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In addition, the Option (and any compensation paid or Shares issued under the Option) is subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or for a “constructive termination” (or similar term) under any agreement with the Company.

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18. **Effect on Other Employee Benefit Plans.** The value of the Option will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify or terminate any of the Company’s or any Affiliate’s employee benefit plans.

19. **Voting Rights.** You will not have voting or any other rights as a stockholder of the Company with respect to the Shares to be issued pursuant to the Option until such Shares are issued to you. On such issuance, you will obtain full voting and other rights as a stockholder of the Company. However, the Company may require, as a condition to such issuance, you to appoint the Company’s Chief Executive Officer or other member of the Board as having the sole and exclusive power of attorney to vote all such Shares subject to the Option, which power shall be effective until the earlier of the completion of a Change in Control or an IPO. The Company may also require, as a condition to such issuance, you to execute an agreement pursuant to which you agree to join the Company’s then-current stockholder agreements. Nothing contained in the Option, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

20. **Severability.** If all or any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

21. **Vested Share Repurchase Option**

(a) **Vested Share Repurchase Option.** The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all of the vested Shares purchased on the exercise of this Option (the “**Vested Shares**”) if (i) your employment is terminated by the Company or any of its Subsidiaries or Affiliates for Cause, or (ii) you breach the terms of any restrictive covenant agreements with the Company or any of its Subsidiaries or Affiliates, including the Employee Proprietary Information and Inventions Agreement by and between you and the Company (the “**Vested Share Repurchase Option**”). The repurchase price for each vested share (the “**Vested Share Repurchase Price**”) will be the Fair Market Value per share on the Repurchase Date (as defined below).

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(b) Mechanics of Repurchase.

(i) The date on which the Company exercises the Company’s Vested Share Repurchase Option is the “**Repurchase Date**” and unless otherwise determined by the Board, shall be the 60th day after the event giving rise to the Vested Share Repurchase Option. If required to avoid liability accounting to the

Company, the Company's Vested Share Repurchase Option will not occur until the date that is six months following the original purchase of the Vested Shares or such other time necessary to avoid liability accounting to the Company, and such date shall be the Repurchase Date.

(ii) As of the Repurchase Date, the Company and/or its assignee(s) will become the legal and beneficial owner of such Vested Shares and all rights and interests therein or relating thereto. The Company and/or its assignee(s) will have the right to retain and transfer to their own names the number of Vested Shares being repurchased by the Company and/or its assignee(s), and you will no longer be considered the owner of the Vested Shares repurchased by the Company for record or any other purposes. The Vested Share Repurchase Price will be payable, at the option of the Company, in cash (including electronic wire transfer), by check, by cancellation of any debt owed by you to the Company or by any combination of the aforementioned methods. Within 30 days following the Repurchase Date, the Company and/or its assignee(s) will tender payment for the Vested Shares being repurchased. You agree to execute and deliver to the Company all documents necessary to transfer ownership of the Vested Shares to the Company, including, without limitation, any certificates evidencing the Vested Shares subject to the Company's Vested Share Repurchase Option.

(c) Your Rights. If the Company exercises its Vested Share Repurchase Option, as of the Repurchase Date, your only remaining right under this Agreement will be the right to receive the Vested Share Repurchase Price, and you will have no right whatsoever to retain the Vested Shares and will have no rights as a stockholder with respect to such Vested Shares.

(d) Termination of Share Option Repurchase Option. The Vested Share Repurchase Option will terminate as to all Vested Shares on the earlier of (i) the first sale of Shares by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

22. **Escrow.** As security for your faithful performance of the terms of this Agreement and to insure the availability for delivery of your Vested Shares on exercise of the Vested Share Repurchase Option, as well as the Company's Right of First Refusal, you agree, upon an exercise hereunder, to deliver to and deposit with the Secretary of the Company or the Secretary's designee ("**Escrow Agent**"), as Escrow Agent, three stock powers together with all certificates evidencing all of the Vested Shares. These documents are to be held by the Escrow Agent and delivered by said Escrow Agent pursuant to Joint Escrow Instructions provided by the Company and delivered to the Escrow Agent upon exercise of the Option.

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23. **Miscellaneous.**

(a) The rights and obligations of the Company under the Option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree on request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Option.

* * *

This Option Agreement, together with any appendix attached hereto that addresses local or foreign legal requirements, will be deemed to be signed by you on the signing by you of the Grant Notice to which it is attached.

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**RESTRICTED STOCK AWARD NOTICE
UNDER THE JUSHI HOLDINGS INC.
2019 EQUITY INCENTIVE PLAN**

Pursuant to the Jushi Holdings Inc. Amended 2019 Equity Incentive Plan, as amended June 3, 2020 (the "Plan"), Jushi Holdings Inc., a company organized under the laws of British Columbia (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the subordinated voting shares of the common stock (the "Shares"), subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: _____ (the "Grantee")

Per Share Purchase Price: _____

No. of Shares: _____ subordinate voting shares of the Corporation (the "Shares")

Grant Date: _____

Vesting Commencement Date: _____ (the "Vesting Commencement Date")

Vesting Schedule: _____ of the Shares shall immediately be vested as of the Grant Date, and the remaining Shares shall vest and shall cease to subject to a substantial risk of forfeiture on _____ (each such anniversary a "Vesting Date"), provided that the Grantee remains in Continuous Service through such Vesting Date.

Attachments: Restricted Stock Agreement, Amended 2019 Equity Incentive Plan

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**RESTRICTED STOCK AGREEMENT
UNDER THE JUSHI HOLDINGS INC.
2019 EQUITY INCENTIVE PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Grant of Shares; Vesting; Investment Representations.

(a) Grant. The Company hereby grants to the Grantee, and the Grantee hereby accepts from the Company, the number of Shares set forth in the Award Notice for the Per Share Grant Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice and thereafter such Shares shall be transferable subject to Sections 2 and 3.

(c) Investment Representations. In connection with the grant of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

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(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan and this Agreement.

2. Right of First Refusal and Other Prohibition on Transfer. The Grantee may transfer vested Shares subject to the terms and conditions set forth in this Section 2 and in Section 3, below. Before any vested Shares held by Grantee or any transferee (either being sometimes referred to herein as the “Holder”) may be sold or otherwise transferred (including transfer by gift or operation of law), the Company must consent as set forth below and the Company or its assignee(s) shall have a right of first refusal to purchase such shares on the terms and conditions set forth in this Section 2 (the “Right of First Refusal”).

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the “Notice”) stating: (i) the Holder’s bona fide intention to sell or otherwise transfer such vested Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the “Offered Price”); and (v) that the Holder shall offer to sell the shares to the Company and/or its assignee(s) at the Offered Price.

(b) Exercise of Right of First Refusal. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price (“Purchase Price”) for the Shares purchased by the Company or its assignee(s) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee) or by any combination thereof.

(e) Holder’s Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within 120 days after the date of the Notice, (ii) any such sale or other transfer is effected in accordance with any applicable securities laws and if requested by the Company, the Holder shall have delivered an opinion of counsel acceptable to the Company to that effect and (iii) the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

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(f) Exempt Transfers. Despite anything to the contrary in this Agreement, the following transfers of vested Shares shall be exempt from the Right of First Refusal: (i) the transfer of any or all of the vested Shares on your death by will or intestacy to the your “immediate family” (as defined below) but only if each such transferee or other recipient agrees in a writing satisfactory to the Company that the Right of First Refusal (and all other restrictions on transfer set forth in this Agreement) shall continue to apply to the transferred Shares in the hands of such transferee or other recipient; (ii) any transfer of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal shall continue to apply thereafter to such Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights or the Company unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Shares pursuant to the winding up, liquidation or dissolution of the Company. As used herein, the term “immediate family” shall mean the your spouse, lineal descendant or antecedent, brother or sister, adopted child or grandchild or the spouse of any child, adopted child, grandchild or adopted grandchild of yours.

(g) Termination of Right of First Refusal and Prohibition on Transfer. The Right of First Refusal and the prohibition on transfer set forth above shall terminate as to all vested Shares on the earlier of (i) first sale of Common Stock of the Company by the Company to the general public pursuant to an initial public offering of the Company’s common stock, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

3. Company Share Repurchase Option

(a) Company Share Repurchase Option.

(i) Vested Share Repurchase Option. The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all of the vested shares of Common Stock (the “Vested Shares”) purchased pursuant to this Agreement if (i) the Grantee’s employment is terminated by the Company or any of its Subsidiaries or Affiliates for Cause, or (ii) the Grantee breach the terms of any restrictive covenant agreements with the Company or any of its Subsidiaries or Affiliates, including the Proprietary Rights Agreement by and between the Grantee and the Company (the “Vested Share Repurchase Option”). The repurchase price for each Vested Share (the “Vested Share Repurchase Price”) will be the Fair Market Value per Share on the Repurchase Date (as defined below).

(ii) Unvested Share Repurchase Option. The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all or any portion of the unvested Shares of Common Stock (the “Unvested Shares”) purchased pursuant to this Agreement upon termination of Grantee’s employment with the Company and all of its Subsidiaries and Affiliates for any reason (the “Unvested Share Repurchase Option”). The repurchase price for each vested share (the “Unvested Share Repurchase Price”) will be the lesser of the Fair Market Value per share on the Repurchase Date (as defined below) or the amount paid by the Grantee for such Unvested Shares pursuant to this Agreement.

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(b) Mechanics of Repurchase.

(i) The date on which the Company exercises the Company’s Vested Share Repurchase Option or Unvested Share Repurchase Option is the “Repurchase Date” and unless otherwise determined by the Board, shall be the 60th day after the event giving rise to the Vested Share Repurchase Option or Unvested Share Repurchase Option, as applicable. If required to avoid liability accounting to the Company, the Company’s Vested Share Repurchase Option will not occur until the date that is six months following the original purchase of the Vested Shares or such other time necessary to avoid liability accounting to the Company, and such date shall be the Repurchase Date.

(ii) As of the Repurchase Date, the Company and/or its assignee(s) will become the legal and beneficial owner of any Vested Shares or Unvested Shares, as applicable, that are repurchased by the Company and/or its assignee(s) (collectively the “Repurchased Shares”) and all rights and interests therein or relating thereto. The Company and/or its assignee(s) will have the right to retain and transfer to their own names the Repurchased Shares and the Grantee will no longer be considered the owner of such Repurchased Shares for record or any other purposes. The Vested Share Repurchase Price or Unvested Share Repurchase Price, as applicable, will be payable, at the option of the Company, in cash (including electronic wire transfer), by check, by cancellation of any debt owed by the Grantee to the Company or by any combination of the aforementioned methods. Within 30 days following the Repurchase Date, the Company and/or its assignee(s) will tender payment for the Repurchased Shares. The Grantee agrees to execute and deliver to the Company all documents necessary to transfer ownership of the Repurchased Shares to the Company, including, without

limitation, any certificates evidencing such Repurchased Shares.

(c) Grantee's Rights. If the Company and/or its assignee(s) exercises the Vested Share Repurchase Option or Unvested Share Repurchase Option, as of the Repurchase Date, the Grantee's only remaining right under this Agreement will be the right to receive the Vested Share Repurchase Price or Unvested Share Repurchase Price, as applicable, and the Grantee will have no right whatsoever to retain the Repurchased Shares and will have no rights as a stockholder with respect to such Repurchased Shares.

(d) Termination of Vested Share Option Repurchase Option. The Vested Share Repurchase Option will terminate as to all Vested Shares on the earlier of (i) the first sale of Common Stock of the Company by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

5

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company).

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(f) Jurisdiction; Venue. The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of Grantee below for receipt of notices shall be effective service of process for any action, suit or proceeding brought pursuant to this Agreement. The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the parties and may be enforced in any other courts to whose jurisdiction a party is or may be subject, by suit upon such judgment.

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(g) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(h) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(i) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(j) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(k) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(l) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date first above written.

JUSHI HOLDINGS INC.

By: _____

Name: _____

Title: _____

Address: _____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

[Grantee]

Address:

**RESTRICTED STOCK AWARD NOTICE
UNDER THE JUSHI HOLDINGS INC.
2019 EQUITY INCENTIVE PLAN**

Pursuant to the Jushi Holdings Inc. Amended 2019 Equity Incentive Plan, as amended June 3, 2020 (the "Plan"), Jushi Holdings Inc., a company organized under the laws of British Columbia (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the subordinated voting shares of the common stock (the "Shares"), subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: [●] (the "Grantee")

Per Share Grant Price: USD\$[●]

No. of Shares: USD\$[●] worth / [●] subordinate voting shares of the Corporation (the "Shares")

Grant Date: [●]

Vesting Commencement Date: [●] (the "Vesting Commencement Date")

Vesting Schedule: [●]

Attachments: Restricted Stock Agreement, Amended 2019 Equity Incentive Plan

1

**RESTRICTED STOCK AGREEMENT
UNDER THE JUSHI HOLDINGS INC.
2019 EQUITY INCENTIVE PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Grant of Shares; Vesting; Investment Representations.

(a) Grant. The Company hereby grants to the Grantee, and the Grantee hereby accepts from the Company, the number of Shares set forth in the Award Notice for the Per Share Grant Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice and thereafter such Shares shall be transferable subject to Sections 2 and 3.

(c) Investment Representations. In connection with the grant of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the grant or purchase of the Shares and to make an informed investment decision with respect to such grant or purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

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(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan and this Agreement.

2. Right of First Refusal and Other Prohibition on Transfer. The Grantee may transfer vested Shares subject to the terms and conditions set forth in this Section 2 and in Section 3, below. Before any vested Shares held by Grantee or any transferee (either being sometimes referred to herein as the "Holder") may be sold or

otherwise transferred (including transfer by gift or operation of law), the Company must consent as set forth below and the Company or its assignee(s) shall have a right of first refusal to purchase such shares on the terms and conditions set forth in this Section 2 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such vested Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"); and (v) that the Holder shall offer to sell the shares to the Company and/or its assignee(s) at the Offered Price.

(b) Exercise of Right of First Refusal. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee) or by any combination thereof.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within 120 days after the date of the Notice, (ii) any such sale or other transfer is effected in accordance with any applicable securities laws and if requested by the Company, the Holder shall have delivered an opinion of counsel acceptable to the Company to that effect and (iii) the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

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(f) Exempt Transfers. Despite anything to the contrary in this Agreement, the following transfers of vested Shares shall be exempt from the Right of First Refusal: (i) the transfer of any or all of the vested Shares on your death by will or intestacy to the your "immediate family" (as defined below) but only if each such transferee or other recipient agrees in a writing satisfactory to the Company that the Right of First Refusal (and all other restrictions on transfer set forth in this Agreement) shall continue to apply to the transferred Shares in the hands of such transferee or other recipient; (ii) any transfer of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal shall continue to apply thereafter to such Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights or the Company unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Shares pursuant to the winding up, liquidation or dissolution of the Company. As used herein, the term "immediate family" shall mean the your spouse, lineal descendant or antecedent, brother or sister, adopted child or grandchild or the spouse of any child, adopted child, grandchild or adopted grandchild of yours.

(g) Termination of Right of First Refusal and Prohibition on Transfer. The Right of First Refusal and the prohibition on transfer set forth above shall terminate as to all vested Shares on the earlier of (i) first sale of Common Stock of the Company by the Company to the general public pursuant to an initial public offering of the Company's common stock, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

3. Company Share Repurchase Option

(a) Company Share Repurchase Option.

(i) Vested Share Repurchase Option. The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all of the vested shares of Common Stock (the "Vested Shares") purchased pursuant to this Agreement if (i) the Grantee's employment is terminated by the Company or any of its Subsidiaries or Affiliates for Cause, or (ii) the Grantee breach the terms of any restrictive covenant agreements with the Company or any of its Subsidiaries or Affiliates, including the Proprietary Rights Agreement by and between the Grantee and the Company (the "Vested Share Repurchase Option"). The repurchase price for each Vested Share (the "Vested Share Repurchase Price") will be the Fair Market Value per Share on the Repurchase Date (as defined below).

(ii) Unvested Share Repurchase Option. The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all or any portion of the unvested Shares of Common Stock (the "Unvested Shares") purchased pursuant to this Agreement upon termination of Grantee's employment with the Company and all of its Subsidiaries and Affiliates for any reason (the "Unvested Share Repurchase Option"). The repurchase price for each vested share (the "Unvested Share Repurchase Price") will be the lesser of the Fair Market Value per share on the Repurchase Date (as defined below) or the amount paid by the Grantee for such Unvested Shares pursuant to this Agreement.

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(b) Mechanics of Repurchase.

(i) The date on which the Company exercises the Company's Vested Share Repurchase Option or Unvested Share Repurchase Option is the "Repurchase Date" and unless otherwise determined by the Board, shall be the 60th day after the event giving rise to the Vested Share Repurchase Option or Unvested Share Repurchase Option, as applicable. If required to avoid liability accounting to the Company, the Company's Vested Share Repurchase Option will not occur until the date that is six months following the original purchase of the Vested Shares or such other time necessary to avoid liability accounting to the Company, and such date shall be the Repurchase Date.

(ii) As of the Repurchase Date, the Company and/or its assignee(s) will become the legal and beneficial owner of any Vested Shares or Unvested Shares, as applicable, that are repurchased by the Company and/or its assignee(s) (collectively the "Repurchased Shares") and all rights and interests therein or relating thereto. The Company and/or its assignee(s) will have the right to retain and transfer to their own names the Repurchased Shares and the Grantee will no longer be considered the owner of such Repurchased Shares for record or any other purposes. The Vested Share Repurchase Price or Unvested Share Repurchase Price, as applicable, will be payable, at the option of the Company, in cash (including electronic wire transfer), by check, by cancellation of any debt owed by the Grantee to the Company or by any combination of the aforementioned methods. Within 30 days following the Repurchase Date, the Company and/or its assignee(s) will tender payment for the Repurchased Shares. The Grantee agrees to execute and deliver to the Company all documents necessary to transfer ownership of the Repurchased Shares to the Company, including, without limitation, any certificates evidencing such Repurchased Shares.

(c) Grantee's Rights. If the Company and/or its assignee(s) exercises the Vested Share Repurchase Option or Unvested Share Repurchase Option, as of the Repurchase Date, the Grantee's only remaining right under this Agreement will be the right to receive the Vested Share Repurchase Price or Unvested Share Repurchase Price, as applicable, and the Grantee will have no right whatsoever to retain the Repurchased Shares and will have no rights as a stockholder with respect to such Repurchased Shares.

(d) Termination of Vested Share Option Repurchase Option. The Vested Share Repurchase Option will terminate as to all Vested Shares on the earlier of (i) the first sale of Common Stock of the Company by the Company to the general public pursuant to an IPO, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded on the New York Stock Exchange or the Nasdaq Global Market or any other exchange designated by the Board from time to time.

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4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner: Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company).

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of British Columbia without regard to conflict of law principles.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

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(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date first above written.

JUSHI HOLDINGS INC.

By: _____
Name: _____
Title: _____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

[•]

Address: _____

**RESTRICTED STOCK AWARD NOTICE
UNDER THE JUSHI HOLDINGS INC.
2019 EQUITY INCENTIVE PLAN**

Pursuant to the Jushi Holdings Inc. Amended 2019 Equity Incentive Plan, as amended June 3, 2020 (the “Plan”), Jushi Holdings Inc., a company organized under the laws of British Columbia (together with any successor, the “Company”), hereby grants, sells and issues to the individual named below, the subordinated voting shares of the common stock (the “Shares”), subject to the terms and conditions set forth in this Restricted Stock Award Notice (the “Award Notice”), the attached Restricted Stock Agreement (the “Agreement”) and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company’s agreement to issue and sell the Shares to him or her. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: [●] (the “Grantee”)

Per Share Grant Price: USD\$[●]

No. of Shares: USD\$[●] worth / [●] subordinate voting shares of the Corporation (the “Shares”)

Grant Date: [●]

Vesting Commencement Date: [●] (the “Vesting Commencement Date”)

Vesting Schedule: [●] of the Shares shall vest and shall cease to subject to a substantial risk of forfeiture on [●] (each such anniversary a “Vesting Date”), provided that the Grantee remains employed and in Continuous Service through such Vesting Date. Notwithstanding the foregoing, (i) in the event that a Change in Control occurs during the Grantee’s Continuous Service, all of the remaining unvested Shares shall become vested as of immediately prior to such Change in Control; and (ii) if Grantee’s Continuous Service is terminated by the Company or an Affiliate without Cause (as defined below), Grantee terminates his Continuous Service for Good Reason (as defined below) or Grantee’s Continuous Service is terminated due to Grantee’s death or Disability, then all of the remaining unvested Shares will become fully vested on such termination date.

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For purposes of this Award Notice and the Agreement, “Cause” means with respect to the Grantee: (i) commission of a felony or other crime involving moral turpitude that has been fully adjudicated including all appeals during the Grantee’s Continuous Service; provided, that for the sake of clarity, no action or inaction by Grantee that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause; or a breach of any applicable fiduciary duty with respect to the Company based on Grantee’s gross negligence or willful misconduct.

For purposes of this Award Notice and the Agreement, “Good Reason” means (i) the assignment to the Grantee of any duties materially inconsistent with his position, including any change in status, title, authority, duties or responsibilities or other action which results in a material diminution in such status, title, authority, duties or responsibilities; (ii) a material reduction in the Grantee’s Base Salary by the Company; (iii) the relocation of the Grantee’s principal office to a location more than fifty (50) miles from his then current principal office; or (iv) Grantee finds a replacement for his position and such replacement is approved by the Board.

Attachments: Restricted Stock Agreement, Amended 2019 Equity Incentive Plan

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**RESTRICTED STOCK AGREEMENT
UNDER THE JUSHI HOLDINGS INC.
2019 EQUITY INCENTIVE PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Grant of Shares; Vesting; Investment Representations.

(a) Grant. The Company hereby grants to the Grantee, and the Grantee hereby accepts from the Company, the number of Shares set forth in the Award Notice for the Per Share Grant Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice and thereafter such Shares shall be transferable subject to Sections 2 and 3.

(c) Investment Representations. In connection with the grant of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee’s own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee’s investment in the Company and has consulted with the Grantee’s own advisers with respect to the Grantee’s investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the grant or purchase of the Shares and to make an informed investment decision with respect to such grant or purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or “blue sky” laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or “blue sky” laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan and this Agreement.

2. [Intentionally Omitted.]

3. Company Share Repurchase Option

(a) Company Share Repurchase Option for Unvested Shares. The Company and/or its assignee(s) will have the right, but not the obligation, to repurchase all or any portion of the unvested Shares of Common Stock (the “Unvested Shares”) purchased pursuant to this Agreement upon termination of Grantee’s employment with the Company and all of its Subsidiaries and Affiliates by the Company or an Affiliate for Cause or by the Grantee without Good Reason (the “Unvested Share Repurchase Option”). The repurchase price for each Unvested Share (the “Unvested Share Repurchase Price”) will be the amount paid by the Grantee for such Unvested Shares pursuant to this Agreement.

(b) Mechanics of Repurchase.

(i) The date on which the Company and/or its assignee(s) may exercise the Unvested Share Repurchase Option is the “Repurchase Date” and shall be the 60th day after the event giving rise to the Unvested Share Repurchase Option. The Company and/or its assignee(s) shall have the right to exercise its Unvested Share Repurchase Option by sending written notice of its election to the Grantee on or before the Repurchase Date.

(ii) If the Company exercises the Unvested Share Repurchase Option, as of the Repurchase Date, the Company and/or its assignee(s) will become the legal and beneficial owner of any Unvested Shares that are repurchased by the Company and/or its assignee(s) (collectively the “Repurchased Shares”) and all rights and interests therein or relating thereto. The Company and/or its assignee(s) will have the right to retain and transfer to their own names the Repurchased Shares and the Grantee will no longer be considered the owner of such Repurchased Shares for record or any other purposes. The Unvested Share Repurchase Price will be payable, at the option of the Company, in cash (including electronic wire transfer), by check, by cancellation of any debt owed by the Grantee to the Company or by any combination of the aforementioned methods. Within 30 days following the Repurchase Date, the Company and/or its assignee(s) will tender payment for the Repurchased Shares. The Grantee agrees to execute and deliver to the Company all documents necessary to transfer ownership of the Repurchased Shares to the Company, including, without limitation, any certificates evidencing such Repurchased Shares.

(c) Grantee’s Rights. If the Company and/or its assignee(s) exercises the Unvested Share Repurchase Option, as of the Repurchase Date, the Grantee’s only remaining right under this Agreement will be the right to receive the applicable Unvested Share Repurchase Price and the Grantee will have no right whatsoever to retain the Repurchased Shares and will have no rights as a stockholder with respect to such Repurchased Shares. If the Company and/or its assignee(s) do not exercise the Unvested Share Repurchase Option, as of the Repurchase Date, the Grantee’s Shares shall be transferable and no longer subject to a substantial risk of forfeiture.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee’s tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company).

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of British Columbia without regard to conflict of law principles.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

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(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

[Signature page follows]

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The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date first above written.

JUSHI HOLDINGS INC.

By: _____

Name: _____

Title: _____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

[•]

Address: _____

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is effective the later of May 1, 2019 or the date the Executive signs the Agreement (the “Effective Date”), by and between JGMT, LLC, a Florida limited liability company (the “Company”), and Louis J. Barack (the “Executive”). (Company and Executive are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”)

WHEREAS, the Executive was hired by the Company on April 1, 2018.

WHEREAS, the Executive agrees to continue to provide services for the benefit of the Company for the additional period provided herein, and the Company wishes to procure such services as provided herein; and

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Employment Term. This Agreement shall become effective as of the Effective Date and Executive’s employment with the Company shall continue in accordance with the terms of this Agreement until such employment is terminated pursuant to Section 4 hereof (the “Term”).

2. Position and Duties; Exclusive Employment; No Conflicts.

(a) Position and Duties; Exclusive Employment. During the Term, Executive shall serve as EVP of Business Development, reporting directly to the Company’s Chief Executive Officer (the “CEO”), or the CEO’s designee (such designation to be made in writing), and shall have such duties, authority, and responsibility as shall be assigned and determined from time to time by the CEO, or the CEO’s designee, including duties and responsibilities for the Company, its current parent, Jushi Inc (“Parent”), any future parent of the Company, and each of their current and future subsidiaries and affiliates (collectively referred to herein as the “Company Group”). Executive acknowledges that Executive’s duties and responsibilities for Company Group shall include, but shall not be limited to, identifying, strategizing and developing new business opportunities for the Company Group. Executive agrees to devote Executive’s full business time and attention exclusively to the performance of Executive’s duties hereunder and in furtherance of the business of Company Group. Executive also acknowledges that Executive’s position, title, duties and/or responsibilities may change from time to time as needed and determined by the CEO and such change(s) shall not constitute a termination by the Company. During the Employment term, Executive shall (i) perform Executive’s duties and responsibilities hereunder faithfully and to the best of Executive’s abilities in a diligent manner and in accordance with the Company Group’s policies and applicable law, (ii) use Executive’s commercially reasonable best efforts to promote the success of the Company Group, (iii) not do anything, or permit anything to be done at Executive’s direction, that is intended to be inconsistent with Executive’s duties to the Company Group or opposed to the best interests of the Company Group or which is a conflict of interest, in each case, subject to applicable law, and (iv) not be or become an officer, director, manager, employee, advisor, or consultant of any business other than that of the Company Group without prior written authorization from the CEO. Notwithstanding the foregoing, Executive may engage in religious, charitable or other community activities as long as such services and activities do not interfere with Executive’s performance of Executive’s duties to Company Group.

(b) Principal Office. Executive’s principal office will be located in Boca Raton, FL but Executive will be expected to travel extensively on behalf of the Company.

(c) No Conflict. Executive represents and warrants to the Company that Executive has the capacity to enter into this Agreement, and that the execution, delivery and performance of this Agreement by Executive will not violate any agreement, undertaking or covenant to which Executive is party or is otherwise bound, including any obligations with respect to non-competition, non-solicitation, or proprietary or confidential information of any other person or entity.

3. Compensation; Benefits.

(a) Base Salary. During the Employment Term, the Company shall pay to Executive an annual base salary of Two-Hundred Fifty Thousand and No/100 Dollars (\$250,000) (as the same may be increased from time to time, the “Base Salary”), which shall be payable in regular installments in accordance with the Company’s customary payroll practices and procedures or, at the Company’s election, in cash, but in no event less frequently than monthly, and prorated for any partial year worked.

(b) Anniversary Bonus. During the Employment Term, the Company shall pay to Executive a bonus of Fifty Thousand and No/100 Dollars (\$50,000.00) following each continuous year of employment with the Company measured from the Executive’s date of hire (“Anniversary Date”), such bonus is the “Anniversary Bonus”. As a condition of receipt of the Anniversary Bonus, the Executive must be employed by the Company in a full-time and continuous manner through the Anniversary Date.

(c) Welfare Benefit Plans. During the Employment Term, Executive shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by the Company or its affiliates for Executives of the Company, subject in each instance to the terms and conditions of such plans, practices, policies and programs.

(d) Expenses. During the Employment Term, Executive shall be entitled to reimbursement of all documented reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of the Company applicable to employees of the Company, as in effect from time to time. To the extent that any reimbursement of expenses under this Section 3(e) constitutes “deferred compensation” under Section 409A of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder (as amended, the “Code” and such section of the Code, “Code Section 409A”), such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year and the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(e) Vacation. During the Employment Term, Executive shall be entitled to time off as needed, in accordance with the plans, policies, programs and practices of the Company applicable to its employees, and, in each case, subject to the consent of the CEO.

(f) Equity Compensation. Executive shall be eligible to receive such equity- based compensation awards from the Parent at such time, in such amounts and subject to such terms and conditions as the Parent’s board of directors (or the compensation committee of such board of directors) may decide; provided, however, that all such equity-based compensation awards outstanding as of the closing date of a Change in Control of the Company (as defined in Section 4(g)) shall become fully vested, exercisable and nonforfeitable immediately upon closing of such Change in Control.

(g) Withholding Taxes. All forms of compensation paid or payable to Executive, whether under this Agreement or otherwise, are subject to reduction to reflect applicable withholding and payroll taxes pursuant to any applicable law or regulation.

4. Termination. This Agreement and Executive's employment with the Company may be terminated in accordance with any of the following provisions.

(a) Termination by the Company Without Cause. The Company may terminate Executive's employment and this Agreement without Cause (as defined in Section 4(g)) by providing written notice to the Executive at least fourteen (14) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. In the event Company terminates Executive's employment and this Agreement without Cause and Executive executes a general release of all claims in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment ("Release"), the Company shall pay Executive a one-time lump sum payment equal to six (6) months of Executive's Base Salary (the "Severance Payment") within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, such Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment date as if no delay had been imposed.

(b) Termination by Executive. Executive may terminate his employment and this Agreement by providing written notice to the Company at least thirty (30) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period.

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(c) Termination By the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause, which shall be effective upon delivery by the Company of written notice to Executive of such termination, subject to any cure period as required within the definition of Cause.

(d) Termination Due to a Change in Control. If a Change in Control (as defined in Section 4(g)) occurs during the Employment Term, the Executive's employment shall be terminated, and if the Executive signs the Release (as defined in Section 4(a)), the Company shall pay to the Executive the Severance Payment (described in Section 4(a)) within five (5) business days after the expiration of the applicable revocation period in the Release.

(e) Death of Executive. Executive's employment and this Agreement shall terminate automatically upon the date of Executive's death.

(f) Disability of Executive This Agreement shall be terminated upon thirty (30) days' written notice by Company to Executive that Company has made a good faith determination that Executive has a Disability (as defined in Section 4(g)).

(g) Definitions. The terms set forth below have the following meanings, except where otherwise expressly indicated:

(i) "Cause" shall mean, with respect to Executive, one or more of the following: (i) commission of a felony or other crime involving moral turpitude, including crimes related to compliance with applicable laws related to cannabis; provided, that for the sake of clarity, no action or inaction by Executive that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause, nor shall such action or inaction be a violation of this Agreement for any reason; (ii) the commission of any act or omission involving moral turpitude, misappropriation, embezzlement, dishonesty, or fraud; (iii) the commission of any act or omission which is significantly injurious to the Company Group, monetarily; (iv) reporting to work under the influence of alcohol or illegal drugs, or other conduct causing the Company Group public disgrace or disrepute or significant economic harm, whether such conduct occurred in conjunction with the performance of Executive's duties for the Company Group, or otherwise; (v) willful and repeated failure to perform material duties as reasonably directed by the CEO (other than as a result of illness or injury); (vi) any act or omission aiding or abetting a competitor, supplier or customer of the Company Group to the disadvantage or detriment of the Company Group; (vii) breach of any applicable fiduciary duty with respect to the Company Group, or gross negligence or willful misconduct; (viii) any other material breach of this Agreement or (ix) material failure to comply with the Company's material policies governing business ethics or code of conduct. The Company shall provide twenty-one (21) days' notice prior to terminating for Cause under clause (iii), (v), (viii) or (ix) of this paragraph to provide the Executive with an opportunity to cure any act or omission constituting Cause pursuant to such subsections (iii), (v), (viii) or (ix) of this paragraph, to the extent such act or omission is curable. In no event shall the Executive have more than one cure opportunity with respect to the recurrence of the same or similar actions or inactions constituting Cause.

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(ii) "Change of Control" means the occurrence of any one of the following:

(A) any one person (or more than one person acting as a group) other than any trustee or other fiduciary holding securities of the Parent under an employee benefit plan of the Parent, an underwriter temporarily holding securities pursuant to an offering of such securities or any corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, directly or indirectly acquires equity securities representing more than 50% of the combined voting power of the Parent's then outstanding equity securities;

(B) the consummation of a reorganization, merger, statutory share exchange, consolidation, amalgamation or similar corporate transaction (each, a "Business Combination") other than a Business Combination in which all or substantially all of the persons who were the beneficial owners of the Parent's voting securities immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the combined voting power of the voting securities of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of the Business Combination owns the Parent or all or substantially all of the Parent's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership of the Parent's voting securities immediately prior to such Business Combination; or

(C) any one person (or more than one person acting as a group) acquires all or substantially all of the assets of the Parent within any twelve (12) consecutive month period.

Notwithstanding the forgoing, none of the foregoing events shall constitute a Change of Control of the Parent unless such event also constitutes a change in ownership of the Parent within the meaning of Treasury Regulation Section 1.409A- 3(i)(5)(v) or a change in ownership of a substantial portion of the assets of the Parent within the

(iii) “Disability” means (i) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive’s duties (provided, however, that the Company acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); (ii) such total incapacity shall have continued for a period of six (6) consecutive months; and (iii) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive’s life.

5. Payments of Accrued Obligations Upon Termination. In the event that Executive’s employment with the Company terminates for any reason, the Company’s obligation to compensate Executive shall in all respects cease as of the date of termination, except that the Company shall pay to Executive through the date of termination (i) any accrued but unpaid Base Salary, (ii) any payments Executive is entitled to receive pursuant to Section 4, or (iii) any rights or payments that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the date of termination of employment under any benefit plan or any other contract or agreement with the Company, which shall be payable in accordance with the terms of such benefit plan, contract or agreement, except as explicitly modified by this Agreement, including, without limitation, any of Executive’s business expenses that are reimbursable, but have not been reimbursed as of the date of termination of employment (the “Accrued Obligations”). The Company shall pay to Executive (or to Executive’s estate in the event of Executive’s death), the Accrued Obligations (other than the Severance Payments described in Section 4(a) and (b)) within thirty (30) days after the date of termination of Executive’s employment with the Company.

6. Non-Disclosure of Confidential Information.

(a) Confidential Information. Executive acknowledges that in the course of Executive’s employment with the Company, Executive will be provided with, have access to, access, use, and develop Confidential Information (as defined herein) of the Company Group. For purposes of this Agreement, “Confidential Information” shall mean and include all information, whether written or oral, tangible or intangible (in any form or format), of a private, secret, proprietary or confidential nature, of or concerning the Company Group or the business or operations of the Company Group, including without limitation: any trade secrets or other confidential or proprietary information which is not publicly known or generally known in the industry; the identity, background, and preferences of any current or prospective clients, investors, distributors, suppliers, vendors, referral sources, and business affiliates; pricing and financial information; current and prospective client, investor, distributor, supplier, or vendor lists and leads; proposals with prospective clients, investors, distributors, suppliers, vendors, or business affiliates; contracts with clients, investors, distributors, suppliers, vendors or business affiliates; marketing plans; brand standards guidelines; proprietary computer software and systems; marketing materials and information; operating and business plans and strategies; research and development; policies and manuals; personnel information of employees that is private and confidential; any information related to the compensation of employees, consultants, agents or representatives of Company Group; sales and financial reports and forecasts; any information concerning any product, technology or procedure employed by Company Group but not generally known to its current or prospective clients, investors, distributors, suppliers, vendors or competitors, or under development by or being tested by Company Group; any inventions, innovations or improvements covered by Section 9 hereof; and information concerning planned or pending acquisitions or divestitures. Notwithstanding the foregoing, the term Confidential Information shall not include information which (A) becomes available to Executive from a source other than Company Group or from third parties with whom Company Group is not bound by a duty of confidentiality, or (B) becomes generally available or known in the industry other than as a result of its disclosure by Executive.

(i) During the course of Executive’s employment with Company, Executive agrees to use Executive’s commercially reasonable best efforts to maintain the confidentiality of the Confidential Information, including adopting and implementing all reasonable procedures prescribed by Company Group to prevent unauthorized use of Confidential Information or disclosure of Confidential Information to any unauthorized person.

(ii) Executive agrees that all Confidential Information shall be Company Group’s sole property during and after Executive’s employment with Company. Executive agrees that Executive will not remove any hard copies of Confidential Information from Company Group’s premises, will not download, upload, or otherwise transfer copies of Confidential Information to any external storage media or cloud storage (except as necessary in the performance of Executive’s duties for Company Group and for Company Group’s sole benefit), and will not print hard copies of any Confidential Information that Executive accesses electronically from a remote location (except as necessary in the performance of Executive’s duties for Company Group and for Company Group’s sole benefit).

(iii) Other than as contemplated in Section 6(a)(iv) below, in the event that Executive becomes legally obligated to disclose any Confidential Information to anyone other than to Company Group, Executive will provide Company with prompt written notice thereof so that Company may seek a protective order or other appropriate remedy and Executive will cooperate with and assist Company in securing such protective order or other remedy. In the event that such protective order is not obtained, or that Company waives compliance with the provisions of this Section 6(a)(iii) to permit a particular disclosure, Executive will furnish only that portion of the Confidential Information which Executive is legally required to disclose.

(iv) Executive agrees to execute and abide by the terms of the Company’s Proprietary Rights Agreement, attached as Appendix A

(v) Nothing in this Agreement shall be construed to prohibit Executive from: filing a charge or participating in any investigation or proceeding conducted by any federal, state or local government agency charged with enforcement of any law; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation. Executive acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(b) Restrictions On Use And Disclosure Of Confidential Information. At all times during Executive’s employment with the Company and after Executive’s employment with Company terminates, regardless of the reason for termination, Executive agrees: (i) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Confidential Information, except as necessary in the performance of Executive’s duties for Company Group and for Company Group’s sole benefit; (ii) not to make, or cause to be made, copies (in any form or format) of the Confidential Information, except as necessary in the performance of Executive’s duties for Company Group and for Company Group’s sole benefit; and (iii) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Confidential Information or disclosure of the Confidential Information to any unauthorized person about which Executive becomes aware. The restrictions contained in this Section 6(b) also apply to Confidential Information developed by Executive during Executive’s employment with the Company, which are related to the Company Group or to the Company Group’s successor or assigns, as such information is developed for the benefit of and ownership of the Company Group and all rights and privileges to such information or derivative works, including but not limited to trademarks, patents and copyrights remain with the Company Group.

(c) Third Party Information. Executive acknowledges that during the course of Executive's employment with the Company, Executive may receive or have access to, confidential or proprietary information belonging to third parties ("Third Party Information"). During the Employment Term and thereafter, Executive agrees: (i) to hold the Third Party Information in the strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Third Party Information to any unauthorized person, and follow all of the Company's policies regarding protecting the Third Party Information; (ii) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Third Party Information, except as necessary in the performance of Executive's duties for Company Group; (iii) not to make, or cause to be made, copies (in any form or format) of the Third Party Information, except as necessary in the performance of Executive's duties for Company Group or as compelled by subpoena or other legal order or process; and (iv) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Third Party Information or disclosure of the Third Party Information to any unauthorized person about which Executive becomes aware.

(d) Return of Confidential Information and Property. Upon termination of Executive's employment with the Company, notwithstanding the reason or cause of termination, and at any other time upon written request by the Company, Executive shall promptly return to the Company all originals, copies, or duplicates, in any form or format (whether paper, electronic or other storage media), of the Confidential Information and the Third Party Information, as well as any and all other documents, computer discs, computer data, equipment, and property of the Company Group (including, but not limited to, cell phones, credit cards, and laptop computers if they have been provided to Executive), relating in any way to the business of the Company Group or in any way obtained by Executive during and in the course of Executive's employment with the Company. Executive further agrees that after termination of Executive's employment with the Company, Executive shall not knowingly retain any copies, notes, or abstracts in any form or format (whether paper, electronic or other storage media) of the Confidential Information, the Third Party Information, or other documents or property belonging to the Company Group.

7. Non-Competition; Non-Solicitation.

(a) Non-Competition. Executive acknowledges the highly competitive nature of Company Group's business and, in consideration of Executive's employment with the Company, access to the Confidential Information, the payment of the Base Salary, grant of equity-based compensation awards, eligibility for Severance Payment pursuant to Section 4(a) or (b) and other benefits by Company to Executive pursuant to the terms hereof (which Executive acknowledges is sufficient to justify the restrictions contained herein), Executive agrees that during the Employment Term and for six (6) months the date of termination of Executive's employment with Company for any reason (the "Restricted Period"), Executive will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than five percent (5%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined). For purposes of this Agreement, the "Restricted Area" is any country, state, province, county, or city in which Company Group conducts the Restricted Business as of the date of termination of Executive's employment with Company or conducted the Restricted Business within the one-year period prior to the date of termination of Executive's employment with the Company. For purposes of this Agreement, "Restricted Business" shall mean the business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products.

(b) Non-Solicitation of Clients, Investors, Distributors, Vendors, and Suppliers. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive shall not, for Executive's own benefit or on behalf of any other person or entity (other than the Company Group), directly or indirectly through another person or entity: (i) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of encouraging, causing, or inducing the client, investor, distributor, vendor, or supplier to cease or reduce doing business with the Company Group; (ii) divert opportunities related to the Restricted Business to some person or entity engaged in any part of the Restricted Business (other than for the Company Group); (iii) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of providing the client, investor, distributor, vendor, or supplier with products or services competitive with those products or services provided by the Company Group; or (iv) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 7(b) is limited to existing and prospective clients, investors, distributors, vendors, and suppliers of the Company Group with whom Executive had material contact or business dealings during Executive's employment with the Company.

(c) Non-Solicitation of Employees, Consultants, and Independent Contractors. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive will not, directly or indirectly (in any capacity, on Executive's own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any employees, consultants, or independent contractors of the Company Group to terminate their employment, to cease to be engaged by the Company Group, and/or to terminate or reduce their business relationship with the Company Group; or (ii) hire, employ, or offer to hire or employ any employee, consultant, or independent contractor of the Company Group (other than for the Company Group).

(d) Scope of Restrictive Covenants. Company and Executive recognize and agree that the Company Group conducts business operations and generates revenues from clients throughout the Restricted Area. Executive acknowledges that the Company Group would be greatly damaged if Executive took action that would violate the restrictive covenants of this Section 7 anywhere in the Restricted Area. Accordingly, Company and Executive agree that the restrictive covenant provisions contained in this Section 7 are applicable to the Restricted Area, and Executive shall be prohibited from violating the terms of this Section 7 from any location anywhere in the Restricted Area. The Parties acknowledge and agree that the scope of the restrictive covenants in this Section 7 shall not prevent Executive from engaging in the practice of law in the Restricted Business or otherwise.

(e) Reasonableness of Restrictive Covenants. Executive agrees and acknowledges that to assure the Company that the Company Group will retain the value of its operations, it is necessary that the Executive abide by the restrictions set forth in this Agreement. Executive further agrees and acknowledges that during the Employment Term, Executive will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. Executive further agrees that the promises made in this Agreement are reasonable and necessary for protection of the Company Group's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company Group conducts its business; the Company Group's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. Executive agrees that the restrictive covenants in this Agreement will not prevent Executive from earning a livelihood in Executive's chosen business, they do not impose an undue hardship on Executive, and that they will not injure the public.

(f) Tolling of Restrictive Period. The time period during which Executive is to refrain from the activities described in Section 7 of this Agreement will be extended by any length of time during which Executive is in breach of any provision of this Agreement. The Executive acknowledges that the purposes and intended effects

of the restrictive covenants would be frustrated by measuring the period of the restriction from the date of termination of Executive's employment where the Executive failed to honor the restrictive covenant until required to do so by court order.

8. Non-Disparagement. Executive agrees that at all times during and after the Employment Term, Executive will not engage in any conduct that is injurious to the reputation or interests of the Company Group, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Company Group, any of the shareholders, members, directors, officers, employees, investors, or agents of the Company Group, or the Company Group's operations, financial condition, prospects, products or services. However, nothing in this Agreement shall prohibit Executive from: exercising protected rights under Section 7 of the National Labor Relations Act; filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer any law, rule, or regulation; testifying truthfully in any forum or before any government agency responsible for enforcing any law, rule, or regulation; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation.

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9. Intellectual Property.

(a) Work Product Owned By Company. Executive agrees that the Company or the applicable member of the Company Group (each individually the "Assigned Party") is and will be the sole and exclusive owner of all ideas, inventions, discoveries, improvements, designs, plans, methods, works of authorship, deliverables, writings, brochures, manuals, know-how, method of conducting its business, policies, procedures, products, processes, software, or any enhancements, or documentation of or to the same and any other work product in any form or media that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of Executive's employment for the Assigned Party and with the use of the Assigned Party's time, materials or facilities, and is in any way related or pertaining to or connected with the present or anticipated business, products or services of the Assigned Party whether produced during normal business hours or on personal time (collectively, "Work Products").

(b) Definition of Intellectual Property. "Intellectual Property" means any and all (i) copyrights and other rights associated with works of authorship, (ii) trade secrets and other confidential information, (iii) patents, patent disclosures and all rights in inventions (whether patentable or not), (iv) trademarks, trade names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (v) all other intellectual and industrial property rights of every kind and nature throughout the world and however designated, whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in effect.

(c) Assignment. Executive acknowledges Executive's work and services provided for the Assigned Party and all results and proceeds thereof, including, the Work Products, are works done under Company Group's direction and control and have been specially ordered or commissioned by the Company Group. To the extent the Work Products are copyrightable subject matter, they shall constitute "works made for hire" for the Company Group within the meaning of the Copyright Act of 1976, as amended, and shall be the exclusive property of the Assigned Party. Should any Work Product be held by a court of competent jurisdiction to not be a "work made for hire," and for any other rights, Executive hereby assigns and transfers to Assigned Party, to the fullest extent permitted by applicable law, all right, title, and interest in and to the Work Products, including but not limited to all Intellectual Property pertaining thereto, and in and to all works based upon, derived from, or incorporating such Work Products, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement. Executive hereby waives and further agrees not to assert Executive's rights known in various jurisdictions as moral rights and grants the Company Group the right to make changes, as the Company Group deems necessary, in the Work Products.

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(d) License of Intellectual Property Not Assigned. Notwithstanding the above, should Executive be deemed to own or have any Intellectual Property that is used, embodied, or reflected in the Work Products, Executive hereby grants to the Company Group, its successors and assigns, the non-exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicenses, to use, reproduce, publish, create derivative works of, market, advertise, distribute, sell, publicly perform and publicly display and otherwise exploit by all means now known or later developed the Work Products and Intellectual Property.

(e) Maintenance; Disclosure; Execution; Attorney-In-Fact. Executive will, at the request and cost of the Assigned Party, sign, execute, make and do all such deeds, documents, acts and things as the Assigned Party and their duly authorized agents may reasonably require to apply for, obtain and vest in the name of the Assigned Party alone (unless the Assigned Party otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same. In the event the Assigned Party is unable, after reasonable effort, to secure Executive's signature on any letters patent, copyright or other analogous protection relating to a Work Product, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Assigned Party and its duly authorized officers and agents as Executive's agent and attorney-in-fact (which designation and appointment shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive Executive's death or incapacity), to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Executive.

(f) Executive's Representations Regarding Work Products. Executive represents and warrants that all Work Products that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of performing Executive's duties for Assigned Party under this Agreement are (i) original or an improvement of the Assigned Party's prior Work Products and (ii) do not include, copy, use, or infringe any Intellectual Property rights of a third party.

10. Cooperation. During the Employment Term and thereafter, Executive will cooperate with all reasonable requests by the Company Group for assistance in connection with any investigations or legal proceedings involving the Company Group, including by providing truthful testimony in person in any such legal proceedings without having to be subpoenaed; provided, however, that the foregoing shall not apply to any investigation or legal proceeding involving disputes between Executive and the Company Group arising under this Agreement or any other agreement.

11. Severability; Independent Covenants. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain enforceable and the invalid, illegal or unenforceable provisions shall be modified so as to be valid and enforceable and shall be enforced as modified; provided, that no severance shall be effective if it materially changes the economic benefit of this Agreement to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate, in good faith, a legal, valid and enforceable substitute provision which most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid, illegal or unenforceable provision. If, moreover, any part of this Agreement is for any reason held too excessively broad as to time, duration, geographic scope, activity, or subject, it is the intent of the parties that this Agreement shall be judicially modified by limiting or reducing it so as to be enforceable to the extent compatible with the applicable law. Except as otherwise provided in this Agreement, the existence of any claim or cause of action of Executive against the Company Group (or against any member, shareholder, director, officer, or employee thereof), whether arising out of the Agreement or otherwise, shall not constitute a defense to: (i) the enforcement by the Company Group of any of the restrictive covenants contemplated by this Agreement; or (ii) the Company Group's entitlement to remedies hereunder. Executive's obligations under this Agreement are

12. **Remedies for Breach.** Executive acknowledges and agrees that it would be difficult to measure the damages to the Company Group from any breach or threatened breach by Executive of this Agreement, including but not limited to Sections 6, 7, 8 or 9 hereof; that injury to the Company Group from any such breach would be irreparable; and that money damages would therefore be an inadequate remedy for any such breach. Accordingly, Executive agrees that if Executive breaches or threatens to breach any of the promises contained in this Agreement, the Company Group shall, in addition to all other remedies it may have (including monetary remedies), be entitled to seek an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage to the Company Group. Nothing herein shall be construed as a waiver of any right the Company Group may have or hereafter acquire to pursue any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

13. **Attorneys' Fees and Costs.** In any action brought to enforce or otherwise interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party to the action or proceeding, including through settlement, judgment and/or appeal.

14. **Assignment; Third-Party Beneficiaries.** The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to (i) any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly, acquires all or substantially all of the Company's stock or assets, or (ii) any affiliate or future affiliate of the Company, and such assignment by Company pursuant to this Section 14 shall automatically, and without any further action required by the Parties, relieve the assignor Company (and discharge and release the assignor Company) from all obligations and liabilities under or related to this Agreement (all such obligations and/or automatically liabilities assumed by the assignee Company). This Agreement shall be binding upon and inure to the benefit of any successor or assigns of Company. Executive may not assign this Agreement without the written consent of the Company. Executive agrees that each member of the Company Group is an express third-party beneficiary of this Agreement, and this Agreement, including the restrictive covenants and other obligations set forth in Sections 6, 7, 8, 9, and 10 hereof, are for each such member's benefit. Executive expressly agrees and consents to the enforcement of this Agreement, including but not limited to the restrictive covenants and other obligations in Sections 6, 7, 8, 9, and 10 hereof, by any member of the Company Group as well as by the Company Group's future affiliates, successors and/or assigns.

15. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Florida.

16. **Jurisdiction; Venue.** The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of any Party for receipt of notices hereunder as provided in Section 23 hereof shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. The Parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction a Party is or may be subject, by suit upon such judgment.

17. **Mutual Waiver of Jury Trial.** EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM, RIGHT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING BUT NOT LIMITED TO THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF ANY STATE, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATION. EACH PARTY HEREBY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING THE RIGHT TO DEMAND TRIAL BY JURY.

18. **Waiver.** No waiver of any breach or other rights under this Agreement shall be deemed a waiver unless the acknowledgment of the waiver is in writing executed by the Party committing the waiver. No waiver shall be deemed to be a waiver of any subsequent breach or rights. All rights are cumulative under this Agreement. The failure or delay of the Company at any time or times to require performance of, or to exercise any of its powers, rights or remedies with respect to any term or provision of this Agreement or any other aspect of Executive's conduct or employment in no manner (except as otherwise expressly provided herein) shall affect the Company's right at a later time to enforce any such term or provision.

19. **Survival.** Executive's post-termination obligations and the Company Group's post- termination rights under Sections 6 through 19 of this Agreement shall survive the termination of this Agreement and the termination of Executive's employment with the Company regardless of the reason for termination, including upon expiration of the Employment Term; shall continue in full force and effect in accordance with their terms; and shall continue to be binding on the parties.

20. **Independent Advice.** Executive acknowledges that the Company has provided Executive with a reasonable opportunity to obtain independent legal advice with respect to this Agreement and, particularly, to understand and acknowledge the restrictions being placed on Executive pursuant to Sections 6-13 of this Agreement, and that Executive has had such independent legal advice prior to executing this Agreement.

21. **Entire Agreement.** This Agreement constitutes the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated.

22. **Amendment.** This Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the Party or Parties against whom enforcement of such amendment, supplement, or modification is sought.

23. **Notices.** Any notice, request or other document required or permitted to be given under this Agreement shall be in writing and shall be deemed given: (a) upon delivery, if delivered by hand; (b) three business (3) days after the date of deposit in the mail, postage prepaid, if mailed by certified U.S. mail; or (c) on the next business day, if sent by prepaid overnight courier service. If not personally delivered by hand, notice shall be sent using the addresses set forth below or to such other address as either party may designate by written notice to the other:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company, to:

JGMT, LLC
1800 NW Corporate Blvd., Suite 200
Boca Raton, FL 33431
Attn: Chief Executive Officer

24. Code Section 409A Compliance. It is intended that the provisions of this Agreement are either exempt from or comply with the terms and conditions of Code Section 409A, and to the extent that the requirements of Code Section 409A are applicable thereto, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Section does not constitute a "deferral of compensation" within the meaning of Code Section 409A and the regulations and other guidance thereunder: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

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25. Excess Parachute Excise Tax.

(a) If any payment or other benefit (including any acceleration of vesting) Executive would receive in connection with a Change in Control (the "Benefit") would (i) constitute a "parachute payment" within the meaning of Code Section 280G, and (ii) but for this sentence, be subject to the excise tax under Section 4999 (the "Excise Tax"), then the Benefit shall be reduced to the largest portion of the Benefit that would result in no portion of the Benefit being subject to the Excise Tax unless the value of the Benefit that Executive would retain without regard to such reduction after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), notwithstanding that all or some portion of the Benefit may be subject to the Excise Tax (the "Non-Reduced After-Tax Benefit"), exceeds the value of the Benefit that Executive would retain after taking into account the reduction in this sentence and after taking into account all applicable federal, state, and local employment taxes and income taxes (all computed at the highest applicable marginal rate) (the "Reduced After-Tax Benefit"). If a reduction in the Benefits is necessary, the reduction in Benefits shall occur in the following order unless Executive elects in writing a different order (*provided, however*, that such election shall be subject to the Company's approval if made on or after the date on which the event that triggers the Benefit occurs and to the extent that such election does not violate Code Section 409A): reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that accelerated vesting of stock awards is to be reduced, such accelerated vesting shall be cancelled in the reverse order of the grant date of Executive's stock awards unless Executive elects in writing a different order for cancellation.

(b) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform any calculations necessary in connection with this Section 25. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control, the Company shall appoint another qualified accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(c) The accounting firm engaged to make the determinations under this Section 25 shall provide its calculations, together with detailed supporting documentation, to Executive and the Company within 15 calendar days after the date on which Executive's right to a Benefit is triggered (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company. If the accounting firm determines that no Excise Tax is payable with respect to a Benefit, it shall furnish Executive and the Company with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Benefit. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon Executive and the Company, except as set forth below.

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(d) If, notwithstanding any reduction described in this Section 25, the Internal Revenue Service ("IRS") makes a final determination (after exhaustion of all appeal rights) that Executive has received additional payments or benefits that would subject Executive to the Excise Tax (or, if applicable, additional Excise Tax), then (i) the Executive's Benefits, Non-Reduced After-Tax Benefits and Reduced After-Tax Benefits (each as defined in Section 25(a)) shall be recalculated to take into account such additional payments and benefits and (ii) (A) if the Reduced After-Tax Benefit equals or exceeds the Non-Reduced After-Tax Benefit (as recalculated), Executive shall be obligated to pay back to the Company, within 30 days after a final IRS determination, or, in the event Executive challenges the final IRS determination, within 30 days after a final judicial determination, the minimum amount necessary to reduce the Excise Tax to \$0 or (B) if the Reduced After-Tax Benefit does not exceed the Non-Reduced After-Tax Benefit, the Company shall pay to the then the Company shall pay to Executive those Benefits that were previously reduced pursuant to Section 25(a) within 30 days after Executive notifies the Company in writing of such final IRS determination, or, final judicial determination (as applicable).

26. Counterparts; Electronic Transmission; Headings. This Agreement may be executed in counterparts, each of which shall be deemed an original, including an electronic copy or facsimile, but both of which taken together shall constitute one and the same instrument. The headings used herein are for ease of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

JGMT, LLC

By: _____

Print Name: _____

Title: _____

EXECUTIVE:

/s/ Louis J. Barack

Louis J. Barack

Address:

Appendix A

PROPRIETARY RIGHTS AGREEMENT

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

June 9, 2020

Dear Jon Barack,

As discussed on January 2, 2020, the Company and you agreed that the Anniversary Bonus provided for in your Employment Agreement dated May 1, 2019, attached as Exhibit A, has been terminated and no Anniversary Bonus payment is due to you. Instead, you have agreed to an award of [\$121,875] in Jushi Holdings Inc. restricted subordinate voting shares ("Restricted Stock Bonus") subject to the approval of the Compensation Committee of the Board of Directors as your bonus to be paid through May 1, 2020. The Restricted Stock Bonus will vest one year after your anniversary date, January 25, 2021. If you are terminated for any reason or resign from your employment with the Company, your Restricted Stock Bonus will immediately vest and will cease to be subject to risk of forfeiture.

For future bonuses, you will be eligible for a discretionary performance-based bonus that may be paid by the Company in cash or stock at the Company's discretion. The bonus target shall be determined by the Compensation Committee at a later date. You have agreed to an amendment of your May 1, 2019 Employment Agreement to remove the Anniversary Bonus and replace it with this discretionary performance-based bonus.

Sincerely,

Nichole Upshaw
Vice President of Human Resources

Acknowledgment - Please indicate your agreement by signing below.

/s/ Jon Barack

Signature

6.9.2020

Date

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is effective May 24, 2021 (the “Effective Date”), by and between JGMT, LLC, a Florida limited liability company (the “Company”), and Leonardo Garcia-Berg (the “Executive”). (Company and Executive are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”)

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company, subject to the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Employment Term. This Agreement shall become effective as of the Effective Date and Executive’s employment with the Company shall continue in accordance with the terms of this Agreement until such employment is terminated pursuant to Section 4 hereof (the “Term”).

2. Position and Duties; Exclusive Employment; No Conflicts.

(a) Position and Duties; Exclusive Employment. During the Term, Executive shall serve initially as Chief Operations Director and then will be named Chief Operating Officer (“COO”) once all applications and/or background checks with the applicable exchanges and regulatory bodies are submitted and, where necessary, approved, and then Executive is approved by the Board of Directors of Jushi Holdings Inc. (“Board”). Executive will report directly to the Company’s Chief Executive Officer (the “CEO”), or the CEO’s designee (such designation to be made in writing), and shall have such duties, authority, and responsibility as shall be assigned and determined from time to time by the CEO, or the CEO’s designee, including duties and responsibilities for the Company, its current parent, Jushi Holdings Inc. (“Parent”), any future parent of the Company, and each of their current and future subsidiaries and affiliates (collectively referred to herein as the “Company Group”). Executive acknowledges that Executive’s duties and responsibilities for Company Group shall include, but shall not be limited to, the oversight of the grower processor facilities, physical security, security infrastructure, procurement and purchasing, quality, and environmental health and safety. Executive agrees to devote Executive’s full business time and attention exclusively to the performance of Executive’s duties hereunder and in furtherance of the business of Company Group. Executive also acknowledges that Executive’s position, title, duties and/or responsibilities may change from time to time as needed and determined by the CEO and such change(s) shall not constitute a termination by the Company. During the Employment term, Executive shall (i) perform Executive’s duties and responsibilities hereunder faithfully and to the best of Executive’s abilities in a diligent manner and in accordance with the Company Group’s policies and applicable law, (ii) use Executive’s commercially reasonable best efforts to promote the success of the Company Group, (iii) not do anything, or permit anything to be done at Executive’s direction, that is intended to be inconsistent with Executive’s duties to the Company Group or opposed to the best interests of the Company Group or which is a conflict of interest, in each case, subject to applicable law, and (iv) not be or become an officer, director, manager, employee, advisor, or consultant of any business other than that of the Company Group without prior written authorization from the CEO. Notwithstanding the foregoing, Executive may engage in religious, charitable or other community activities as long as such services and activities do not interfere with Executive’s performance of Executive’s duties to Company Group.

(b) Principal Office. Executive’s principal office will be located remotely but Executive will be expected to travel extensively on behalf of the Company.

(c) No Conflict. Executive represents and warrants to the Company that Executive has the capacity to enter into this Agreement, and that the execution, delivery and performance of this Agreement by Executive will not violate any agreement, undertaking or covenant to which Executive is party or is otherwise bound, including any obligations with respect to non-competition, non-solicitation, or proprietary or confidential information of any other person or entity.

3. Compensation; Benefits.

(a) Base Salary. During the Employment Term, the Company shall pay to Executive an annual base salary of Three Hundred Thirty Thousand and No/100 Dollars (\$330,000.00) (as the same may be increased from time to time, the “Base Salary”), which shall be payable in regular installments in accordance with the Company’s customary payroll practices and procedures or, at the Company’s election, in cash, but in no event less frequently than monthly, and prorated for any partial year worked.

(b) Performance Bonus. During the Employment Term, the Employee shall be eligible for a performance bonus pursuant to the Company’s annual short-term incentive program with an annual target of up to 50% of Employee’s Base Salary and can be paid in cash or stock at the Parent’s discretion and subject to Board approval, where applicable. Any such performance bonus for the current measurement year, May – April, in which Employee’s employment begins will be prorated, based on the number of days Employee is employed by the Company during that fiscal year. The measurement year for the performance bonus is subject to change.

(c) Equity. During the Employment Term, the Employee shall be eligible for equity grants pursuant to Jushi’s Equity Incentive Plan and any such equity grant will be issued at Jushi’s sole discretion and subject to Jushi’s Board of Director’s approval.

(d) Welfare Benefit Plans. During the Employment Term, Executive shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by the Company or its affiliates for Executives of the Company, subject in each instance to the terms and conditions of such plans, practices, policies and programs.

(e) Expenses. During the Employment Term, Executive shall be entitled to reimbursement of all documented reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of the Company applicable to employees of the Company, as in effect from time to time. To the extent that any reimbursement of expenses under this Section 3(e) constitutes “deferred compensation” under Section 409A of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder (as amended, the “Code” and such section of the Code, “Code Section 409A”), such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year and the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(f) Vacation. During the Employment Term, Executive shall be entitled to time off as needed, in accordance with the plans, policies, programs and practices of the Company applicable to its employees, and, in each case, subject to the consent of the CEO or the CEO’s designee.

(g) Withholding Taxes. All forms of compensation paid or payable to Executive, whether under this Agreement or otherwise, are subject to reduction to reflect applicable withholding and payroll taxes pursuant to any applicable law or regulation.

4. Termination. This Agreement and Executive's employment with the Company may be terminated in accordance with any of the following provisions.

(a) Termination by the Company Without Cause. The Company may terminate Executive's employment and this Agreement without "Cause" (as defined in Section 4(e)) by providing written notice to the Executive at least fourteen (14) days prior to the effective date of termination (the Notice Period). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. Additionally, the Company will be obligated to compensate the Executive as follows:

(i) Prior to a Change in Control. In the event the Company terminates Executive's employment and this Agreement without Cause prior to a "Change in Control" (as defined in Section 4(e)) or after the one (1) year period following a Change in Control, and Executive executes a general release of all claims ("Release") in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then the Company shall pay Executive a one-time lump sum payment based on the following schedule:

- (A) If less than 12 months of employment, 24 months of the Executive's Base Salary;
- (B) If 12-17 months of employment, 18 months of the Executive's Base Salary;
- (C) If 18-23 months of employment, 12 months of the Executive's Base Salary; or
- (D) If greater than 24 months of employment, 6 months of the Executive's Base Salary

(the "Severance Payment").

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(ii) Upon a Change in Control. In the event the Company terminates Executive's employment and this Agreement without Cause upon a Change of Control or during the one (1) year period following a Change in Control and Executive executes the Release and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then the Company shall: (x) accelerate any unvested portion of Executive's initial grant of stock options so that they are fully vested, exercisable and nonforfeitable ("Equity Acceleration"); and (y) pay Executive a one-time lump sum payment based on the following schedule:

- (A) If less than 24 months of employment, 24 months of the Executive's Base Salary; or
- (B) If 24 months or more of employment, 12 months of the Executive's Base Salary

(the "Change in Control Severance Payment").

The Severance Payment or Change in Control Severance Payment will be paid to Executive within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, such Severance Payment or Change in Control Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment or Change in Control Severance Payment date as if no delay had been imposed. If applicable, the Equity Acceleration will become effective upon expiration of the applicable revocation period with respect to the Release.

(b) Termination By the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause, which shall be effective upon delivery by the Company of written notice to Executive of such termination, subject to any cure period as required within the definition of Cause.

(c) Death of Executive. Executive's employment and this Agreement shall terminate automatically upon the date of Executive's death.

(d) Disability of Executive This Agreement shall be terminated upon thirty (30) days' written notice by Company to Executive that Company has made a good faith determination that Executive has a Disability (as defined in Section 4(e)).

(e) Definitions. The terms set forth below have the following meanings, except where otherwise expressly indicated:

(i) "Cause" shall mean, with respect to Employee, one or more of the following: (A) commission of any act or omission involving moral turpitude, misappropriation, embezzlement, dishonesty, or fraud, including related to compliance with applicable laws related to cannabis; provided, that for the sake of clarity, no action or inaction by Employee that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause, nor shall such action or inaction be a violation of this Agreement for any reason; (B) the commission of any act or omission which is significantly injurious to the Company Group; (C) reporting to work under the influence of alcohol or illegal drugs, or other conduct causing the Company Group public disgrace or disrepute or significant economic harm, whether such conduct occurred in conjunction with the performance of Employee's duties for the Company Group, or otherwise; (D) insubordination, unsatisfactory performance or inattention to Employee's duties as reasonably directed by the CEO or the CEO's designee; (E) any act or omission aiding or abetting a competitor, supplier or customer of any member of the Company Group; (F) breach of any applicable fiduciary duty with respect to any member of the Company Group, or gross negligence or willful misconduct; (G) any breach of this Agreement; or (H) failure to comply with the Company's material policies governing business ethics or codes of conduct. The Company shall provide Employee with twenty-one (21) days' notice prior to terminating for Cause under subsections (B), (D), (F), (G) or (H) of this Section 4(E)(i) to provide the Employee with an opportunity to cure any act or omission constituting Cause pursuant to such subsections (B), (D), (F), (G) or (H) of this Section 4(E)(i), to the extent such act or omission is curable. In no event shall the Employee have more than one cure opportunity with respect to the recurrence of the same or similar action or inaction constituting Cause.

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(ii) "Change of Control" means the occurrence of any one of the following:

(A) any one person (or more than one person acting as a group) other than any trustee or other fiduciary holding securities of the Parent under an employee benefit plan of the Parent, an underwriter temporarily holding securities pursuant to an offering of such securities or any corporation

owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, directly or indirectly acquires equity securities representing more than 50% of the combined voting power of the Parent's then outstanding equity securities;

(B) the consummation of a reorganization, merger, statutory share exchange, consolidation, amalgamation or similar corporate transaction (each, a "Business Combination") other than a Business Combination in which all or substantially all of the persons who were the beneficial owners of the Parent's voting securities immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the combined voting power of the voting securities of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of the Business Combination owns the Parent or all or substantially all of the Parent's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership of the Parent's voting securities immediately prior to such Business Combination; or

(C) any one person (or more than one person acting as a group) acquires all or substantially all of the assets of the Parent within any twelve (12) consecutive month period.

Notwithstanding the forgoing, none of the foregoing events shall constitute a Change of Control of the Parent unless such event also constitutes a change in ownership of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v) or a change in ownership of a substantial portion of the assets of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(vii).

(iii) "Disability" means (i) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive's duties (provided, however, that the Company acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); (ii) such total incapacity shall have continued for a period of six (6) consecutive months; and (iii) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive's life.

5. Payments of Accrued Obligations Upon Termination. In the event that Executive's employment with the Company terminates for any reason, the Company's obligation to compensate Executive shall in all respects cease as of the date of termination, except that the Company shall pay to Executive through the date of termination (i) any accrued but unpaid Base Salary, (ii) any payments Executive is entitled to receive pursuant to Section 4, or (iii) any rights or payments that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the date of termination of employment under any benefit plan or any other contract or agreement with the Company, which shall be payable in accordance with the terms of such benefit plan, contract or agreement, except as explicitly modified by this Agreement, including, without limitation, any of Executive's business expenses that are reimbursable, but have not been reimbursed as of the date of termination of employment (the "Accrued Obligations"). The Company shall pay to Executive (or to Executive's estate in the event of Executive's death), the Accrued Obligations (other than the Severance Payment or Change in Control Severance Payments described in Section 4(a)) within thirty (30) days after the date of termination of Executive's employment with the Company.

6. Non-Disclosure of Confidential Information.

(a) Confidential Information. Executive acknowledges that in the course of Executive's employment with the Company, Executive will be provided with, have access to, access, use, and develop Confidential Information (as defined herein) of the Company Group. For purposes of this Agreement, "Confidential Information" shall mean and include all information, whether written or oral, tangible or intangible (in any form or format), of a private, secret, proprietary or confidential nature, of or concerning the Company Group or the business or operations of the Company Group, including without limitation: any trade secrets or other confidential or proprietary information which is not publicly known or generally known in the industry; the identity, background, and preferences of any current or prospective clients, investors, distributors, suppliers, vendors, referral sources, and business affiliates; pricing and financial information; current and prospective client, investor, distributor, supplier, or vendor lists and leads; proposals with prospective clients, investors, distributors, suppliers, vendors, or business affiliates; contracts with clients, investors, distributors, suppliers, vendors or business affiliates; marketing plans; brand standards guidelines; proprietary computer software and systems; marketing materials and information; operating and business plans and strategies; research and development; policies and manuals; personnel information of employees that is private and confidential; any information related to the compensation of employees, consultants, agents or representatives of Company Group; sales and financial reports and forecasts; any information concerning any product, technology or procedure employed by Company Group but not generally known to its current or prospective clients, investors, distributors, suppliers, vendors or competitors, or under development by or being tested by Company Group; any inventions, innovations or improvements covered by Section 9 hereof; and information concerning planned or pending acquisitions or divestitures. Notwithstanding the foregoing, the term Confidential Information shall not include information which (A) becomes available to Executive from a source other than Company Group or from third parties with whom Company Group is not bound by a duty of confidentiality, or (B) becomes generally available or known in the industry other than as a result of its disclosure by Executive.

(i) During the course of Executive's employment with Company, Executive agrees to use Executive's commercially reasonable best efforts to maintain the confidentiality of the Confidential Information, including adopting and implementing all reasonable procedures prescribed by Company Group to prevent unauthorized use of Confidential Information or disclosure of Confidential Information to any unauthorized person.

(ii) Executive agrees that all Confidential Information shall be Company Group's sole property during and after Executive's employment with Company. Executive agrees that Executive will not remove any hard copies of Confidential Information from Company Group's premises, will not download, upload, or otherwise transfer copies of Confidential Information to any external storage media or cloud storage (except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit), and will not print hard copies of any Confidential Information that Executive accesses electronically from a remote location (except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit).

(iii) Other than as contemplated in Section 6(a)(iv) below, in the event that Executive becomes legally obligated to disclose any Confidential Information to anyone other than to Company Group, Executive will provide Company with prompt written notice thereof so that Company may seek a protective order or other appropriate remedy and Executive will cooperate with and assist Company in securing such protective order or other remedy. In the event that such protective order is not obtained, or that Company waives compliance with the provisions of this Section 6(a)(iii) to permit a particular disclosure, Executive will furnish only that portion of the Confidential Information which Executive is legally required to disclose.

(iv) Executive agrees to execute and abide by the terms of the Company's Proprietary Rights Agreement, attached as Appendix A.

(v) Nothing in this Agreement shall be construed to prohibit Executive from: filing a charge or participating in any investigation or proceeding conducted by any federal, state or local government agency charged with enforcement of any law; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation. Executive acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Executive further acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

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(b) Restrictions On Use And Disclosure Of Confidential Information. At all times during Executive's employment with the Company and after Executive's employment with Company terminates, regardless of the reason for termination, Executive agrees: (i) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; (ii) not to make, or cause to be made, copies (in any form or format) of the Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; and (iii) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Confidential Information or disclosure of the Confidential Information to any unauthorized person about which Executive becomes aware. The restrictions contained in this Section 6(b) also apply to Confidential Information developed by Executive during Executive's employment with the Company, which are related to the Company Group or to the Company Group's successor or assigns, as such information is developed for the benefit of and ownership of the Company Group and all rights and privileges to such information or derivative works, including but not limited to trademarks, patents and copyrights remain with the Company Group.

(c) Third Party Information. Executive acknowledges that during the course of Executive's employment with the Company, Executive may receive or have access to, confidential or proprietary information belonging to third parties ("Third Party Information"). During the Employment Term and thereafter, Executive agrees: (i) to hold the Third Party Information in the strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Third Party Information to any unauthorized person, and follow all of the Company's policies regarding protecting the Third Party Information; (ii) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Third Party Information, except as necessary in the performance of Executive's duties for Company Group; (iii) not to make, or cause to be made, copies (in any form or format) of the Third Party Information, except as necessary in the performance of Executive's duties for Company Group or as compelled by subpoena or other legal order or process; and (iv) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Third Party Information or disclosure of the Third Party Information to any unauthorized person about which Executive becomes aware.

(d) Return of Confidential Information and Property. Upon termination of Executive's employment with the Company, notwithstanding the reason or cause of termination, and at any other time upon written request by the Company, Executive shall promptly return to the Company all originals, copies, or duplicates, in any form or format (whether paper, electronic or other storage media), of the Confidential Information and the Third Party Information, as well as any and all other documents, computer discs, computer data, equipment, and property of the Company Group (including, but not limited to, cell phones, credit cards, and laptop computers if they have been provided to Executive), relating in any way to the business of the Company Group or in any way obtained by Executive during and in the course of Executive's employment with the Company. Executive further agrees that after termination of Executive's employment with the Company, Executive shall not knowingly retain any copies, notes, or abstracts in any form or format (whether paper, electronic or other storage media) of the Confidential Information, the Third Party Information, or other documents or property belonging to the Company Group.

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7. Non-Competition; Non-Solicitation.

(a) Non-Competition. Executive acknowledges the highly competitive nature of Company Group's business and, in consideration of Executive's employment with the Company, access to the Confidential Information, the payment of the Base Salary, grant of equity-based compensation awards, eligibility for Severance Payment pursuant to Section 4(a) and other benefits by Company to Executive pursuant to the terms hereof (which Executive acknowledges is sufficient to justify the restrictions contained herein), Executive agrees that during the Employment Term and for six (6) months from the date of termination of Executive's employment with Company for any reason (the "Restricted Period"), Executive will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than five percent (5%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined). For purposes of this Agreement, the "Restricted Area" is any country, state, province, county, or city in which Company Group conducts the Restricted Business as of the date of termination of Executive's employment with Company or conducted the Restricted Business within the one-year period prior to the date of termination of Executive's employment with the Company. For purposes of this Agreement, "Restricted Business" shall mean the business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products.

(b) Non-Solicitation of Clients, Investors, Distributors, Vendors, and Suppliers. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive shall not, for Executive's own benefit or on behalf of any other person or entity (other than the Company Group), directly or indirectly through another person or entity: (i) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of encouraging, causing, or inducing the client, investor, distributor, vendor, or supplier to cease or reduce doing business with the Company Group; (ii) divert opportunities related to the Restricted Business to some person or entity engaged in any part of the Restricted Business (other than for the Company Group); (iii) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of providing the client, investor, distributor, vendor, or supplier with products or services competitive with those products or services provided by the Company Group; or (iv) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 7(b) is limited to existing and prospective clients, investors, distributors, vendors, and suppliers of the Company Group with whom Executive had material contact or business dealings during Executive's employment with the Company.

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(c) Non-Solicitation of Employees, Consultants, and Independent Contractors. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive will not, directly or indirectly (in any capacity, on Executive's own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any employees, consultants, or independent contractors of the Company Group to terminate their employment, to cease to be engaged by the Company Group, and/or to terminate or reduce their business relationship with the Company Group; or (ii) hire, employ, or offer to hire or employ any employee, consultant, or independent contractor of the Company Group (other than for the Company Group).

(d) Scope of Restrictive Covenants. Company and Executive recognize and agree that the Company Group conducts business operations and generates revenues from clients throughout the Restricted Area. Executive acknowledges that the Company Group would be greatly damaged if Executive took action that would violate

the restrictive covenants of this Section 7 anywhere in the Restricted Area. Accordingly, Company and Executive agree that the restrictive covenant provisions contained in this Section 7 are applicable to the Restricted Area, and Executive shall be prohibited from violating the terms of this Section 7 from any location anywhere in the Restricted Area. The Parties acknowledge and agree that the scope of the restrictive covenants in this Section 7 shall not prevent Executive from engaging in the practice of law in the Restricted Business or otherwise.

(e) Reasonableness of Restrictive Covenants. Executive agrees and acknowledges that to assure the Company that the Company Group will retain the value of its operations, it is necessary that the Executive abide by the restrictions set forth in this Agreement. Executive further agrees and acknowledges that during the Employment Term, Executive will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. Executive further agrees that the promises made in this Agreement are reasonable and necessary for protection of the Company Group's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company Group conducts its business; the Company Group's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. Executive agrees that the restrictive covenants in this Agreement will not prevent Executive from earning a livelihood in Executive's chosen business, they do not impose an undue hardship on Executive, and that they will not injure the public.

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(f) Tolling of Restrictive Period. The time period during which Executive is to refrain from the activities described in Section 7 of this Agreement will be extended by any length of time during which Executive is in breach of any provision of this Agreement. The Executive acknowledges that the purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of the restriction from the date of termination of Executive's employment where the Executive failed to honor the restrictive covenant until required to do so by court order.

8. Non-Disparagement. Executive agrees that at all times during and after the Employment Term, Executive will not engage in any conduct that is injurious to the reputation or interests of the Company Group, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Company Group, any of the shareholders, members, directors, officers, employees, investors, or agents of the Company Group, or the Company Group's operations, financial condition, prospects, products or services. However, nothing in this Agreement shall prohibit Executive from: exercising protected rights under Section 7 of the National Labor Relations Act; filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer any law, rule, or regulation; testifying truthfully in any forum or before any government agency responsible for enforcing any law, rule, or regulation; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation.

9. Intellectual Property.

(a) Work Product Owned By Company. Executive agrees that the Company or the applicable member of the Company Group (each individually the "Assigned Party") is and will be the sole and exclusive owner of all ideas, inventions, discoveries, improvements, designs, plans, methods, works of authorship, deliverables, writings, brochures, manuals, know-how, method of conducting its business, policies, procedures, products, processes, software, or any enhancements, or documentation of or to the same and any other work product in any form or media that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of Executive's employment for the Assigned Party and with the use of the Assigned Party's time, materials or facilities, and is in any way related or pertaining to or connected with the present or anticipated business, products or services of the Assigned Party whether produced during normal business hours or on personal time (collectively, "Work Products").

(b) Definition of Intellectual Property. "Intellectual Property" means any and all (i) copyrights and other rights associated with works of authorship, (ii) trade secrets and other confidential information, (iii) patents, patent disclosures and all rights in inventions (whether patentable or not), (iv) trademarks, trade names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (v) all other intellectual and industrial property rights of every kind and nature throughout the world and however designated, whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in effect.

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(c) Assignment. Executive acknowledges Executive's work and services provided for the Assigned Party and all results and proceeds thereof, including, the Work Products, are works done under Company Group's direction and control and have been specially ordered or commissioned by the Company Group. To the extent the Work Products are copyrightable subject matter, they shall constitute "works made for hire" for the Company Group within the meaning of the Copyright Act of 1976, as amended, and shall be the exclusive property of the Assigned Party. Should any Work Product be held by a court of competent jurisdiction to not be a "work made for hire," and for any other rights, Executive hereby assigns and transfers to Assigned Party, to the fullest extent permitted by applicable law, all right, title, and interest in and to the Work Products, including but not limited to all Intellectual Property pertaining thereto, and in and to all works based upon, derived from, or incorporating such Work Products, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement. Executive hereby waives and further agrees not to assert Executive's rights known in various jurisdictions as moral rights and grants the Company Group the right to make changes, as the Company Group deems necessary, in the Work Products.

(d) License of Intellectual Property Not Assigned. Notwithstanding the above, should Executive be deemed to own or have any Intellectual Property that is used, embodied, or reflected in the Work Products, Executive hereby grants to the Company Group, its successors and assigns, the non-exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicenses, to use, reproduce, publish, create derivative works of, market, advertise, distribute, sell, publicly perform and publicly display and otherwise exploit by all means now known or later developed the Work Products and Intellectual Property.

(e) Maintenance; Disclosure; Execution; Attorney-In-Fact. Executive will, at the request and cost of the Assigned Party, sign, execute, make and do all such deeds, documents, acts and things as the Assigned Party and their duly authorized agents may reasonably require to apply for, obtain and vest in the name of the Assigned Party alone (unless the Assigned Party otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same. In the event the Assigned Party is unable, after reasonable effort, to secure Executive's signature on any letters patent, copyright or other analogous protection relating to a Work Product, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Assigned Party and its duly authorized officers and agents as Executive's agent and attorney-in-fact (which designation and appointment shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive Executive's death or incapacity), to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Executive.

(f) Executive's Representations Regarding Work Products. Executive represents and warrants that all Work Products that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of performing Executive's duties for Assigned Party under this Agreement are (i) original or an improvement of the Assigned Party's prior Work Products and (ii) do not include, copy, use, or infringe any Intellectual Property rights of a third party.

10. Cooperation. During the Employment Term and thereafter, Executive will cooperate with all reasonable requests by the Company Group for assistance in connection with any investigations or legal proceedings involving the Company Group, including by providing truthful testimony in person in any such legal proceedings without having to be subpoenaed; provided, however, that the foregoing shall not apply to any investigation or legal proceeding involving disputes between Executive and the Company Group arising under this Agreement or any other agreement.

11. Severability; Independent Covenants. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain enforceable and the invalid, illegal or unenforceable provisions shall be modified so as to be valid and enforceable and shall be enforced as modified; provided, that no severance shall be effective if it materially changes the economic benefit of this Agreement to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate, in good faith, a legal, valid and enforceable substitute provision which most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid, illegal or unenforceable provision. If, moreover, any part of this Agreement is for any reason held too excessively broad as to time, duration, geographic scope, activity, or subject, it is the intent of the parties that this Agreement shall be judicially modified by limiting or reducing it so as to be enforceable to the extent compatible with the applicable law. Except as otherwise provided in this Agreement, the existence of any claim or cause of action of Executive against the Company Group (or against any member, shareholder, director, officer, or employee thereof), whether arising out of the Agreement or otherwise, shall not constitute a defense to: (i) the enforcement by the Company Group of any of the restrictive covenants contemplated by this Agreement; or (ii) the Company Group's entitlement to remedies hereunder. Executive's obligations under this Agreement are independent of any of the Company Group's obligations to the Executive.

12. Remedies for Breach. Executive acknowledges and agrees that it would be difficult to measure the damages to the Company Group from any breach or threatened breach by Executive of this Agreement, including but not limited to Sections 6, 7, 8 or 9 hereof; that injury to the Company Group from any such breach would be irreparable; and that money damages would therefore be an inadequate remedy for any such breach. Accordingly, Executive agrees that if Executive breaches or threatens to breach any of the promises contained in this Agreement, the Company Group shall, in addition to all other remedies it may have (including monetary remedies), be entitled to seek an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage to the Company Group. Nothing herein shall be construed as a waiver of any right the Company Group may have or hereafter acquire to pursue any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

13. Attorneys' Fees and Costs. In any action brought to enforce or otherwise interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party to the action or proceeding, including through settlement, judgment and/or appeal.

14. Assignment; Third-Party Beneficiaries. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to (i) any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly, acquires all or substantially all of the Company's stock or assets, or (ii) any affiliate or future affiliate of the Company, and such assignment by Company pursuant to this Section 14 shall automatically, and without any further action required by the Parties, relieve the assignor Company (and discharge and release the assignor Company) from all obligations and liabilities under or related to this Agreement (all such obligations and/or automatically liabilities assumed by the assignee Company). This Agreement shall be binding upon and inure to the benefit of any successor or assigns of Company. Executive may not assign this Agreement without the written consent of the Company. Executive agrees that each member of the Company Group is an express third-party beneficiary of this Agreement, and this Agreement, including the restrictive covenants and other obligations set forth in Sections 6, 7, 8, 9, and 10 hereof, are for each such member's benefit. Executive expressly agrees and consents to the enforcement of this Agreement, including but not limited to the restrictive covenants and other obligations in Sections 6, 7, 8, 9, and 10 hereof, by any member of the Company Group as well as by the Company Group's future affiliates, successors and/or assigns.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Florida.

16. Jurisdiction; Venue. The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of any Party for receipt of notices hereunder as provided in Section 23 hereof shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. The Parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction a Party is or may be subject, by suit upon such judgment.

17. Mutual Waiver of Jury Trial. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM, RIGHT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING BUT NOT LIMITED TO THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF ANY STATE, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATION. EACH PARTY HEREBY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING THE RIGHT TO DEMAND TRIAL BY JURY.

18. Waiver. No waiver of any breach or other rights under this Agreement shall be deemed a waiver unless the acknowledgment of the waiver is in writing executed by the Party committing the waiver. No waiver shall be deemed to be a waiver of any subsequent breach or rights. All rights are cumulative under this Agreement. The failure or delay of the Company at any time or times to require performance of, or to exercise any of its powers, rights or remedies with respect to any term or provision of this Agreement or any other aspect of Executive's conduct or employment in no manner (except as otherwise expressly provided herein) shall affect the Company's right at a later time to enforce any such term or provision.

19. Survival. Executive's post-termination obligations and the Company Group's post-termination rights under Sections 6 through 19 of this Agreement shall survive the termination of this Agreement and the termination of Executive's employment with the Company regardless of the reason for termination, including upon expiration of the Employment Term; shall continue in full force and effect in accordance with their terms; and shall continue to be binding on the parties.

20. **Independent Advice.** Executive acknowledges that the Company has provided Executive with a reasonable opportunity to obtain independent legal advice with respect to this Agreement and, particularly, to understand and acknowledge the restrictions being placed on Executive pursuant to Sections 6-13, 15-17 of this Agreement, and that Executive has had such independent legal advice prior to executing this Agreement.

21. **Entire Agreement.** This Agreement constitutes the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated.

22. **Amendment.** This Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the Party or Parties against whom enforcement of such amendment, supplement, or modification is sought.

23. **Notices.** Any notice, request or other document required or permitted to be given under this Agreement shall be in writing and shall be deemed given: (a) upon delivery, if delivered by hand; (b) three business (3) days after the date of deposit in the mail, postage prepaid, if mailed by certified U.S. mail; or (c) on the next business day, if sent by prepaid overnight courier service. If not personally delivered by hand, notice shall be sent using the addresses set forth below or to such other address as either party may designate by written notice to the other:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company, to:

JGMT, LLC
1800 NW Corporate Blvd., Suite 200
Boca Raton, FL 33431
Attn: Chief Executive Officer

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24. **Code Section 409A Compliance.** It is intended that the provisions of this Agreement are either exempt from or comply with the terms and conditions of Code Section 409A, and to the extent that the requirements of Code Section 409A are applicable thereto, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Section does not constitute a "deferral of compensation" within the meaning of Code Section 409A and the regulations and other guidance thereunder: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

25. **Excess Parachute Excise Tax.** Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (including any acceleration) by the Company or any member of the Company Group or any entity which effectuates a transaction described in Section 280G(b)(2)(A)(i) of the Code to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise, but determined before application of any reductions required pursuant to this Section 25) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred with respect to such excise tax by the Executive (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company will automatically reduce such Payments to the extent, but only to the extent, necessary so that no portion of the remaining Payments will be subject to the Excise Tax, unless the amount of such Payments that the Executive would retain after payment of the Excise Tax and all applicable Federal, state and local income taxes without such reduction would exceed the amount of such Payments that the Executive would retain after payment of all applicable Federal, state and local taxes after applying such reduction. Unless otherwise elected by the Executive, to the extent permitted under Code Section 409A, such reduction shall first be applied to any severance payments payable to the Executive under this Agreement, then to the accelerated vesting on any equity-based compensation awards, starting with stock options and stock appreciation rights reversing accelerated vesting of those options and stock appreciation rights with the smallest spread between fair market value and exercise price first and after reversing the accelerated vesting of all stock options and stock appreciation rights, thereafter reversing accelerated vesting of restricted stock, restricted stock units, performance shares, performance units or other similar equity awards on a pro rata basis.

All determinations required to be made under this Section 25, including the assumptions to be utilized in arriving at such determination, shall be made by the Company's independent auditors or such other certified public accounting firm of national standing reasonably acceptable to the Executive as may be designated by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by either the Company or the Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion to such effect. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

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26. **Counterparts; Electronic Transmission; Headings.** This Agreement may be executed in counterparts, each of which shall be deemed an original, including an electronic copy or facsimile, but both of which taken together shall constitute one and the same instrument. The headings used herein are for ease of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

JGMT, LLC

By: _____

Print Name: _____

Title: _____

EXECUTIVE:

/s/ Leonardo Garcia-Berg
Leonardo Garcia-Berg

Address: _____

Appendix A

PROPRIETARY RIGHTS AGREEMENT

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is effective October 5, 2021 (the “Effective Date”), by and between JGMT, LLC, a Florida limited liability company (the “Company”), and Ed Kremer (the “Executive”). (Company and Executive are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”)

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company, subject to the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Employment Term. This Agreement shall become effective as of the Effective Date and Executive’s employment with the Company shall continue in accordance with the terms of this Agreement until such employment is terminated pursuant to Section 4 hereof (the “Employment Term”).

2. Position and Duties; Exclusive Employment; No Conflicts.

(a) Position and Duties; Exclusive Employment. During the Term, Executive shall serve initially as Chief Financial Director and then will be named Chief Financial Officer (“CFO”) once all applications and/or background checks with the applicable exchanges and regulatory bodies are submitted and, where necessary, approved, and then Executive is approved by the Board of Directors of Jushi Holdings Inc. (“Board”). Executive will report directly to the Company’s Chief Executive Officer (the “CEO”), or the CEO’s designee (such designation to be made in writing), and shall have such duties, authority, and responsibility as shall be assigned and determined from time to time by the CEO, or the CEO’s designee, including duties and responsibilities for the Company, its current parent, Jushi Holdings Inc. (“Parent”), any future parent of the Company, and each of their current and future subsidiaries and affiliates (collectively referred to herein as the “Company Group”), commensurate with Executive’s responsibilities as the CFO of the Company Group. Executive acknowledges that Executive’s duties and responsibilities for Company Group shall include, but shall not be limited to, managing the company or organization’s finances and is responsible for financial reporting, assessing financial risks and opportunities and overseeing and managing lower-level financial managers, helping set and track financial goals, objectives, and budgets, and other duties as assigned by the CEO. Executive agrees to devote Executive’s full business time and attention exclusively to the performance of Executive’s duties hereunder and in furtherance of the business of Company Group. Executive also acknowledges that Executive’s position, title, duties and/or responsibilities may change from time to time as needed and determined by the CEO and such change(s) shall not constitute a termination by the Company except to the extent such a change triggers a Resignation by Executive for Good Reason as more fully detailed in Section 4(c). During the Employment term, Executive shall (i) perform Executive’s duties and responsibilities hereunder faithfully and to the best of Executive’s abilities in a diligent manner and in accordance with the Company Group’s policies and applicable law, (ii) use Executive’s commercially reasonable best efforts to promote the success of the Company Group, (iii) not do anything, or permit anything to be done at Executive’s direction, that is intended to be inconsistent with Executive’s duties to the Company Group or opposed to the best interests of the Company Group or which is a conflict of interest, in each case, subject to applicable law, and (iv) not be or become an officer, director, manager, employee, advisor, or consultant of any business other than that of the Company Group without prior written authorization from the CEO. Notwithstanding the foregoing, Executive may engage in the project described in Appendix A as well as religious, charitable or other community activities as long as such services and activities do not interfere with Executive’s performance of Executive’s duties to Company Group.

(b) Principal Office. Executive’s principal office will be located in _____, Connecticut but Executive will be expected to travel extensively on behalf of the Company.

(c) No Conflict. Executive represents and warrants to the Company that Executive has the capacity to enter into this Agreement, and that the execution, delivery and performance of this Agreement by Executive will not violate any agreement, undertaking or covenant to which Executive is party or is otherwise bound, including any obligations with respect to non-competition, non-solicitation, or proprietary or confidential information of any other person or entity.

3. Compensation; Benefits.

(a) Base Salary. During the Employment Term, the Company shall pay to Executive an annual base salary of Four Hundred Thousand and No/100 Dollars (\$400,000.00) (as the same may be increased from time to time, the “Base Salary”), which shall be payable in regular installments in accordance with the Company’s customary payroll practices and procedures or, at the Company’s election, in cash, but in no event less frequently than monthly, and prorated for any partial year worked.

(b) First Year Short-Term Incentive Bonus. Executive’s initial short-term incentive bonus will be earned upon the one (1) year anniversary of the Effective Date, and shall be paid within two pay periods thereafter (“First Year Short-Term Incentive Bonus”). Executive’s bonus target for the First Year Short-Term Incentive Bonus is equal to 50% of Executive’s Base Salary. Of Executive’s 50% bonus target for the First Year Short-Term Incentive Bonus, 50% is guaranteed and 50% is based on the following performance metrics and will be paid if each of the following metrics are met:

- (i) Successful and timely completion of the IFRS/GAAP conversion;
- (ii) Timely completion of the 2021 annual audit;
- (iii) Timely filing of 2021 annual financials and all quarterly financials due through Executive’s first year anniversary date; and
- (iv) Successful SEC registration under the exchange act.

(c) Short-Term Incentive Bonus. After the First Year Short-Term Incentive Bonus is earned, thereafter the Executive shall then be eligible to earn a performance bonus pursuant to the Company’s annual short-term incentive program with an annual target of 50% of Employee’s Base Salary and can be paid in cash or stock at the Parent’s discretion and subject to Board approval, where applicable (“Short-Term Incentive Bonus”). Any such Short-Term Incentive Bonus for the current measurement year, May – April, in which the Executive becomes eligible to participate will be prorated based on the number of days the Executive is eligible to participate during that fiscal year. The measurement year for the performance bonus is subject to change.

(d) Equity. During the Employment Term, the Employee shall be eligible for equity grants pursuant to Jushi’s Equity Incentive Plan and any such equity grant will be issued at Jushi’s sole discretion and subject to Jushi’s Board of Director’s approval.

(c) Welfare Benefit Plans. During the Employment Term, Executive shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by the Company or its affiliates for Executives of the Company, subject in each instance to the terms and conditions of such plans, practices, policies and programs.

(f) Expenses. During the Employment Term, Executive shall be entitled to reimbursement of all documented reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of the Company applicable to employees of the Company, as in effect from time to time. To the extent that any reimbursement of expenses under this Section 3(f) constitutes "deferred compensation" under Section 409A of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder (as amended, the "Code" and such section of the Code, "Code Section 409A"), such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year and the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(g) Vacation. During the Employment Term, Executive shall be entitled to time off as needed, in accordance with the plans, policies, programs and practices of the Company applicable to its employees, and, in each case, subject to the consent of the CEO or the CEO's designee.

(h) Withholding Taxes. All forms of compensation paid or payable to Executive, whether under this Agreement or otherwise, are subject to reduction to reflect applicable withholding and payroll taxes pursuant to any applicable law or regulation.

4. Termination. This Agreement and Executive's employment with the Company may be terminated only in accordance with the following provisions.

(a) Termination by the Company Without Cause. The Company may terminate Executive's employment without "Cause" (as defined in Section 4(f)) by providing written notice to the Executive at least thirty (30) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. Additionally, in the event of termination without Cause, the Company will be obligated to compensate Executive as follows:

(i) Prior to a Change in Control. In the event the Company terminates Executive's employment without Cause prior to a "Change in Control" (as defined in Section 4(f)) and Executive executes a general release of all claims ("Release") in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then the Company shall pay Executive 12 months of Executive's Base Salary over a 12-month period in installments based on the Company's regular payroll schedule (the "Severance Payment").

(ii) Upon a Change in Control. In the event the Company terminates Executive's employment without Cause upon a Change of Control or thereafter and Executive executes the Release and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then the Company shall: (x) accelerate any and all unvested portion of Executive's stock options so that they are immediately fully vested, exercisable and nonforfeitable ("Equity Acceleration"); and (y) pay Executive 12 months of Executive's Base Salary over a 12-month period in installments based on the Company's regular payroll schedule (the "Change in Control Severance Payment"). The Equity Acceleration will become effective upon expiration of the applicable revocation period with respect to the Release. Should the Executive start another position and/or enter into a consulting agreement, the installment payments for the Severance Payment or the Change in Control Severance Payment shall immediately cease as of the date Executive commences such other position or performing consulting services, and nothing further shall be due to the Executive.

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(b) Termination By the Company for Cause. The Company may terminate Executive's employment for Cause, which shall be effective upon delivery by the Company of written notice to Executive of such termination, subject to any cure period as required within the definition of Cause.

(c) Resignation by Executive for Good Reason. Executive may resign from his employment for a Good Reason (defined below in Section 4(f)(iv)) only: (x) during the first twelve (12) months of the Employment Term if Jim Cacioppo leaves the Company; or (y) upon a Change of Control or thereafter. Executive's resignation shall be effective upon delivery by the Executive of written notice to the Company of such resignation detailing the Good Reason, subject to the cure period. In the event of a resignation by Executive for Good Reason during the first twelve (12) months of the Employment Term if Jim Cacioppo leaves the Company, Executive shall be compensated as set forth in Section 4(a)(i) as if his employment had been terminated by the Company without Cause. In the event of a resignation by Executive for Good Reason upon a Change of Control or thereafter, Executive shall be compensated as set forth in Section 4(a)(ii) as if his employment had been terminated by the Company without Cause upon a Change in Control or thereafter.

(d) Death of Executive. Executive's employment and this Agreement shall terminate automatically upon the date of Executive's death.

(e) Disability of Executive. This Agreement shall be terminated upon thirty (30) days' written notice by Company to Executive that Company has made a good faith determination that Executive has a Disability (as defined in Section 4(f)).

(f) Definitions. The terms set forth below have the following meanings, except where otherwise expressly indicated:

(i) "Cause" shall mean, with respect to Employee, one or more of the following: (A) commission of any act or omission involving moral turpitude, misappropriation, embezzlement, dishonesty, or fraud, including related to compliance with applicable laws related to cannabis; provided, that for the sake of clarity, no action or inaction by Employee that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause, nor shall such action or inaction be a violation of this Agreement for any reason; (B) the commission of any act or omission which is significantly injurious to the Company Group; (C) reporting to work under the influence of alcohol or illegal drugs, or other conduct causing the Company Group public disgrace or disrepute or significant economic harm, whether such conduct occurred in conjunction with the performance of Employee's duties for the Company Group, or otherwise; (D) insubordination or inattention to Employee's duties as reasonably directed by the CEO or the CEO's designee (E) any act or omission aiding or abetting a competitor, supplier or customer of any member of the Company Group; (F) breach of any applicable fiduciary duty with respect to any member of the Company Group, or gross negligence or willful misconduct; (G) any breach of this Agreement; or (H) failure to comply with the Company's material policies governing business ethics or codes of conduct. The Company shall provide Employee with twenty-one (21) days' notice prior to terminating for Cause under subsections (B), (D), (F), (G) or (H) of this Section 4(f)(i) to provide the Employee with an opportunity to cure any act or omission constituting Cause pursuant to such subsections under subsections (B), (D), (F), (G) or (H) of this Section 4(f)(i), to the extent such act or omission is curable. In no event shall the Employee have more than one cure opportunity with respect to the recurrence of the same or similar action or inaction constituting Cause.

(ii) "Change of Control" means the occurrence of any one of the following:

(A) any one person (or more than one person acting as a group) other than any trustee or other fiduciary holding securities of the Parent under an employee benefit plan of the Parent, an underwriter temporarily holding securities pursuant to an offering of such securities or any corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, directly or indirectly acquires equity securities representing more than 50% of the combined voting power of the Parent's then outstanding equity securities;

(B) the consummation of a reorganization, merger, statutory share exchange, consolidation, amalgamation or similar corporate transaction (each, a “Business Combination”) other than a Business Combination in which all or substantially all of the persons who were the beneficial owners of the Parent’s voting securities immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the combined voting power of the voting securities of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of the Business Combination owns the Parent or all or substantially all of the Parent’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership of the Parent’s voting securities immediately prior to such Business Combination; or

(C) any one person (or more than one person acting as a group) acquires all or substantially all of the assets of the Parent within any twelve (12) consecutive month period.

Notwithstanding the forgoing, none of the foregoing events shall constitute a Change of Control of the Parent unless such event also constitutes a change in ownership of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v) or a change in ownership of a substantial portion of the assets of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(vii).

(iii) “Disability” means determination by a medical professional of the Company’s choosing who, in the exercise of reasonable medical judgment, finds that (i) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive’s duties (provided, however, that the Company acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); (ii) such incapacity shall have continued for a period of six (6) consecutive months; and (iii) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive’s life. Executive provides authorization for such a medical professional to evaluate Executive and inspect Executive medical records. If Executive fails to comply with the aforementioned medical evaluation and inspection of medical records, then the Company may terminate the Executive’s employment for Cause pursuant to Section 4(b).

(iv) “Good Reason” means, without Executive’s written consent, (A) the assignment to the Executive of any duties materially inconsistent with the Executive’s position, including any change in status, authority, duties or responsibilities or other action which results in a material diminution in such status, authority, duties or responsibilities; (B) a material reduction in the Executive’s Base Salary by the Company, however a reduction in Base Salary, even if material, shall not constitute a “Good Reason” if all members of the executive team take an equal reduction (calculated by percentage) as may be dictated by business conditions from time to time; or (C) the relocation of the Executive’s principal office to a location more than 30 miles from his then current principal office. Notwithstanding the foregoing, a “Good Reason” shall not exist unless the Executive provides written notice to the Company of Executive’s discovery of the existence of the applicable condition described above and Company fails to cure such condition within sixty (60) days of receipt of notice by Executive.

5. Payments of Accrued Obligations Upon Termination. In the event that Executive’s employment with the Company terminates for any reason, the Company’s obligation to compensate Executive shall in all respects cease as of the date of termination, except that the Company shall pay to Executive through the date of termination (i) any accrued but unpaid Base Salary, (ii) any payments Executive is entitled to receive pursuant to Section 4, and (iii) any rights or payments that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the date of termination of employment under any benefit plan or any other contract or agreement with the Company, which shall be payable in accordance with the terms of such benefit plan, contract or agreement, except as explicitly modified by this Agreement, including, without limitation, any of Executive’s business expenses that are reimbursable, but have not been reimbursed as of the date of termination of employment (the “Accrued Obligations”). The Company shall pay to Executive (or to Executive’s estate in the event of Executive’s death), the Accrued Obligations (other than the Severance Payment or Change in Control Severance Payments which shall be paid as described in Section 4(a)) within thirty (30) days after the date of termination of Executive’s employment with the Company.

6. Non-Disclosure of Confidential Information.

(a) Confidential Information. Executive acknowledges that in the course of Executive’s employment with the Company, Executive will be provided with, have access to, access, use, and develop Confidential Information (as defined herein) of the Company Group. For purposes of this Agreement, “Confidential Information” shall mean and include all information, whether written or oral, tangible or intangible (in any form or format), of a private, secret, proprietary or confidential nature, of or concerning the Company Group or the business or operations of the Company Group, including without limitation: any trade secrets or other confidential or proprietary information which is not publicly known or generally known in the industry; the identity, background, and preferences of any current or prospective clients, investors, distributors, suppliers, vendors, referral sources, and business affiliates; pricing and financial information; current and prospective client, investor, distributor, supplier, or vendor lists and leads; proposals with prospective clients, investors, distributors, suppliers, vendors, or business affiliates; contracts with clients, investors, distributors, suppliers, vendors or business affiliates; marketing plans; brand standards guidelines; proprietary computer software and systems; marketing materials and information; operating and business plans and strategies; research and development; policies and manuals; personnel information of employees that is private and confidential; any information related to the compensation of employees, consultants, agents or representatives of Company Group; sales and financial reports and forecasts; any information concerning any product, technology or procedure employed by Company Group but not generally known to its current or prospective clients, investors, distributors, suppliers, vendors or competitors, or under development by or being tested by Company Group; any inventions, innovations or improvements covered by Section 9 hereof; and information concerning planned or pending acquisitions or divestitures. Notwithstanding the foregoing, the term Confidential Information shall not include information which (A) becomes available to Executive from a source other than Company Group or from third parties with whom Company Group is not bound by a duty of confidentiality, (B) becomes generally available or known in the industry other than as a result of its disclosure by Executive, or (C) that is independently developed by Executive without reliance on Confidential Information and is unrelated to the Company Group or its business.

(i) During the course of Executive’s employment with Company, Executive agrees to use Executive’s commercially reasonable best efforts to maintain the confidentiality of the Confidential Information, including adopting and implementing all reasonable procedures prescribed by Company Group to prevent unauthorized use of Confidential Information or disclosure of Confidential Information to any unauthorized person.

(ii) Executive agrees that all Confidential Information shall be Company Group’s sole property during and after Executive’s employment with Company. Executive agrees that Executive will not remove any hard copies of Confidential Information from Company Group’s premises, will not download, upload, or otherwise transfer copies of Confidential Information to any external storage media or cloud storage (except as necessary in the performance of Executive’s duties for Company Group and for Company Group’s sole benefit), and will not print hard copies of any Confidential Information that Executive accesses electronically from a remote location (except as necessary in the performance of Executive’s duties for Company Group and for Company Group’s sole benefit).

(iii) Other than as contemplated in Section 6(a)(v) below, in the event that Executive becomes legally obligated to disclose any Confidential Information to anyone other than to Company Group, Executive will provide Company with prompt written notice thereof so that Company may seek a protective order or other appropriate remedy and Executive will cooperate with and assist Company in securing such protective order or other remedy. In the event that such protective order is not obtained, or that Company waives compliance with the provisions of this Section 6 to permit a particular disclosure, Executive will furnish only that portion of the Confidential

(iv) Executive agrees to execute and abide by the terms of the Company's Proprietary Rights Agreement, attached as Appendix B.

(v) Nothing in this Agreement shall be construed to prohibit Executive from: filing a charge or participating in any investigation or proceeding conducted by any federal, state or local government agency charged with enforcement of any law; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation. Executive acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(b) Restrictions On Use And Disclosure Of Confidential Information. At all times during Executive's employment with the Company and after Executive's employment with Company terminates, regardless of the reason for termination, Executive agrees: (i) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Confidential Information, except as reasonably necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; (ii) not to make, or cause to be made, copies (in any form or format) of the Confidential Information, except as reasonably necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; and (iii) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use or disclosure of the Confidential Information about which Executive becomes aware. The restrictions contained in this Section 6(b) also apply to Confidential Information developed by Executive during Executive's employment with the Company, which are related to the Company Group or to the Company Group's successor or assigns, as such information is developed for the benefit of and ownership of the Company Group and all rights and privileges to such information or derivative works, including but not limited to trademarks, patents and copyrights remain with the Company Group.

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(c) Third Party Information. Executive acknowledges that during the course of Executive's employment with the Company, Executive may receive or have access to, confidential or proprietary information belonging to third parties ("Third Party Information"). During the Employment Term and thereafter, Executive agrees: (i) to hold the Third Party Information in the strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Third Party Information to any unauthorized person, and follow all of the Company's policies regarding protecting the Third Party Information; (ii) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Third Party Information, except as reasonably necessary in the performance of Executive's duties for Company Group; (iii) not to make, or cause to be made, copies (in any form or format) of the Third Party Information, except as reasonably necessary in the performance of Executive's duties for Company Group or as compelled by subpoena or other legal order or process; and (iv) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use or disclosure of the Third Party Information about which Executive becomes aware.

(d) Return of Confidential Information and Property. Upon termination of Executive's employment with the Company, notwithstanding the reason or cause of termination, and at any other time upon written request by the Company, Executive shall promptly return to the Company all originals, copies, or duplicates, in any form or format (whether paper, electronic or other storage media), of the Confidential Information and the Third Party Information, as well as any and all other documents, computer discs, computer data, equipment, and other property of the Company Group (including, but not limited to, cell phones, credit cards, and laptop computers if they have been provided to Executive), relating in any way to the business of the Company Group or in any way obtained by Executive from the Company during and in the course of Executive's employment with the Company. Executive further agrees that after termination of Executive's employment with the Company, Executive shall not knowingly retain any copies, notes, or abstracts in any form or format (whether paper, electronic or other storage media) of the Confidential Information, the Third Party Information, or other documents or property belonging to the Company Group.

7. Non-Competition; Non-Solicitation.

(a) Non-Competition. Executive acknowledges the highly competitive nature of Company Group's business and, in consideration of Executive's employment with the Company, access to the Confidential Information the payment of the Base Salary, grant of equity-based compensation awards, eligibility for Severance Payment pursuant to Sections 4(a) and 4(c) and other benefits by Company to Executive pursuant to the terms hereof (which Executive acknowledges is sufficient to justify the restrictions contained herein), Executive agrees that during the Employment Term and for 12 months from the date of termination of Executive's employment with Company for any reason (the "Restricted Period"), Executive will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than five percent (5%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined). For purposes of this Agreement, the "Restricted Area" is any country, state, province, county, or city in which Company Group conducts the Restricted Business as of the date of termination of Executive's employment with Company or conducted the Restricted Business within the one-year period prior to the date of termination of Executive's employment with the Company. For purposes of this Agreement, "Restricted Business" shall mean the business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products.

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(b) Non-Solicitation of Clients, Investors, Distributors, Vendors, and Suppliers. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive shall not, for Executive's own benefit or on behalf of any other person or entity (other than the Company Group), directly or indirectly through another person or entity: (i) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of encouraging, causing, or inducing the client, investor, distributor, vendor, or supplier to cease or reduce doing business with the Company Group; (ii) divert opportunities related to the Restricted Business to some person or entity engaged in any part of the Restricted Business (other than for the Company Group); (iii) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of providing the client, investor, distributor, vendor, or supplier with products or services competitive with those products or services provided by the Company Group; or (iv) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 7(b) is limited to existing and prospective clients, investors, distributors, vendors, and suppliers of the Company Group with whom Executive had material contact or business dealings during Executive's employment with the Company. Further, nothing herein prevents Executive from dealing with any client, prospective client, investor, distributor, vendor or supplier in response to a general advertisement.

(c) Non-Solicitation of Employees, Consultants, and Independent Contractors. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive will not, directly or indirectly (in any capacity, on Executive's own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any employees, consultants, or independent contractors of the Company Group to terminate their employment, to cease to be engaged by the Company Group, and/or to terminate or reduce their

business relationship with the Company Group; or (ii) hire, employ, or offer to hire or employ any employee, consultant, or independent contractor of the Company Group (other than for the Company Group).

(d) Scope of Restrictive Covenants. Company and Executive recognize and agree that the Company Group conducts business operations and generates revenues from clients throughout the Restricted Area. Executive acknowledges that the Company Group would be greatly damaged if Executive took action that would violate the restrictive covenants of this Section 7 anywhere in the Restricted Area. Accordingly, Company and Executive agree that the restrictive covenant provisions contained in this Section 7 are applicable to the Restricted Area, and Executive shall be prohibited from violating the terms of this Section 7 from any location anywhere in the Restricted Area. The Parties acknowledge and agree that the scope of the restrictive covenants in this Section 7 shall not prevent Executive from engaging in the practice of law in the Restricted Business or otherwise.

(e) Reasonableness of Restrictive Covenants. Executive agrees and acknowledges that to assure the Company that the Company Group will retain the value of its operations, it is necessary that the Executive abide by the restrictions set forth in this Agreement. Executive further agrees and acknowledges that during the Employment Term, Executive will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. Executive further agrees that the promises made in this Agreement are reasonable and necessary for protection of the Company Group's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company Group conducts its business; the Company Group's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. Executive agrees that the restrictive covenants in this Agreement will not prevent Executive from earning a livelihood in Executive's chosen business, they do not impose an undue hardship on Executive, and that they will not injure the public.

(f) Tolling of Restrictive Period. The time period during which Executive is to refrain from the activities described in Section 7 of this Agreement will be extended by any length of time during which Executive is in breach of any provision of this Agreement. The Executive acknowledges that the purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of the restriction from the date of termination of Executive's employment where the Executive failed to honor the restrictive covenant until required to do so by court order.

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8. Non-Disparagement. Executive agrees that at all times during and after the Employment Term, Executive will not engage in any conduct that is injurious to the reputation or interests of the Company Group, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Company Group, any of the shareholders, members, directors, officers, employees, investors, or agents of the Company Group, or the Company Group's operations, financial condition, prospects, products or services. The Company will not make any disparaging public statements about Executive without his prior written consent and shall instruct its directors and officers to refrain from making disparaging public statements about Executive. However, nothing in this Agreement shall prohibit Executive from: exercising protected rights under Section 7 of the National Labor Relations Act; filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer any law, rule, or regulation; testifying truthfully in any forum or before any government agency responsible for enforcing any law, rule, or regulation; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; making other disclosures that are protected under whistleblower provisions of any law, rule or regulation; or providing information in connection with an investigation by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency.

9. Intellectual Property.

(a) Work Product Owned By Company. Executive agrees that the Company or the applicable member of the Company Group (each individually the "Assigned Party") is and will be the sole and exclusive owner of all ideas, inventions, discoveries, improvements, designs, plans, methods, works of authorship, deliverables, writings, brochures, manuals, know-how, method of conducting its business, policies, procedures, products, processes, software, or any enhancements, or documentation of or to the same and any other work product in any form or media that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of Executive's employment for the Assigned Party and with the use of the Assigned Party's time, materials or facilities, and is in any way related or pertaining to or connected with the present or anticipated business, products or services of the Assigned Party whether produced during normal business hours or on personal time (collectively, "Work Products").

(b) Definition of Intellectual Property. "Intellectual Property" means any and all (i) copyrights and other rights associated with works of authorship, (ii) trade secrets and other confidential information, (iii) patents, patent disclosures and all rights in inventions (whether patentable or not), (iv) trademarks, trade names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (v) all other intellectual and industrial property rights of every kind and nature throughout the world and however designated, whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in effect.

(c) Assignment. Executive acknowledges Executive's work and services provided for the Assigned Party and all results and proceeds thereof, including, the Work Products, are works done under Company Group's direction and control and have been specially ordered or commissioned by the Company Group. To the extent the Work Products are copyrightable subject matter, they shall constitute "works made for hire" for the Company Group within the meaning of the Copyright Act of 1976, as amended, and shall be the exclusive property of the Assigned Party. Should any Work Product be held by a court of competent jurisdiction to not be a "work made for hire," and for any other rights, Executive hereby assigns and transfers to Assigned Party, to the fullest extent permitted by applicable law, all right, title, and interest in and to the Work Products, including but not limited to all Intellectual Property pertaining thereto, and in and to all works based upon, derived from, or incorporating such Work Products, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement. Executive hereby waives and further agrees not to assert Executive's rights known in various jurisdictions as moral rights and grants the Company Group the right to make changes, as the Company Group deems necessary, in the Work Products.

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(d) License of Intellectual Property Not Assigned. Notwithstanding the above, should Executive be deemed to own or have any Intellectual Property that is used, embodied, or reflected in the Work Products, Executive hereby grants to the Company Group, its successors and assigns, the non-exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicenses, to use, reproduce, publish, create derivative works of, market, advertise, distribute, sell, publicly perform and publicly display and otherwise exploit by all means now known or later developed the Work Products and Intellectual Property.

(e) Maintenance; Disclosure; Execution; Attorney-In-Fact. Executive will, at the request and cost of the Assigned Party, sign, execute, make and do all such deeds, documents, acts and things as the Assigned Party and their duly authorized agents may reasonably require to apply for, obtain and vest in the name of the Assigned Party alone (unless the Assigned Party otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same. In the event the Assigned Party is unable, after reasonable effort, to secure Executive's signature on any letters patent, copyright or other analogous protection relating to a Work Product, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Assigned Party and its duly authorized officers and agents as Executive's agent and attorney-in-fact (which designation and appointment

shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive Executive's death or incapacity), to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Executive.

(f) Executive's Representations Regarding Work Products. Executive represents and warrants that all Work Products that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of performing Executive's duties for Assigned Party under this Agreement are (i) original or an improvement of the Assigned Party's prior Work Products and (ii) do not include, copy, use, or infringe any Intellectual Property rights of a third party.

10. Cooperation. During the Employment Term and thereafter, Executive will cooperate with all reasonable requests by the Company Group for assistance in connection with any investigations or legal proceedings involving the Company Group, at Company Group's sole cost and expense, including by providing truthful testimony in person in any such legal proceedings without having to be subpoenaed; provided, however, that the foregoing shall not apply to any investigation or legal proceeding involving disputes between Executive and the Company Group arising under this Agreement or any other agreement.

11. Indemnification. The Executive is eligible to receive indemnification from the Company Group in the form that is available to other similarly situated Executives.

12. Severability; Independent Covenants. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain enforceable and the invalid, illegal or unenforceable provisions shall be modified so as to be valid and enforceable and shall be enforced as modified; provided, that no severance shall be effective if it materially changes the economic benefit of this Agreement to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate, in good faith, a legal, valid and enforceable substitute provision which most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid, illegal or unenforceable provision. If, moreover, any part of this Agreement is for any reason held too excessively broad as to time, duration, geographic scope, activity, or subject, it is the intent of the parties that this Agreement shall be judicially modified by limiting or reducing it so as to be enforceable to the extent compatible with the applicable law. Except as otherwise provided in this Agreement, the existence of any claim or cause of action of Executive against the Company Group (or against any member, shareholder, director, officer, or employee thereof), whether arising out of the Agreement or otherwise, shall not constitute a defense to: (i) the enforcement by the Company Group of any of the restrictive covenants contemplated by this Agreement; or (ii) the Company Group's entitlement to remedies hereunder. Executive's obligations under this Agreement are independent of any of the Company Group's obligations to the Executive.

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13. Remedies for Breach. Executive acknowledges and agrees that it would be difficult to measure the damages to the Company Group from any breach or threatened breach by Executive of this Agreement, including but not limited to Sections 6, 7, 8, 9 or 10 hereof; that injury to the Company Group from any such breach would be irreparable; and that money damages would therefore be an inadequate remedy for any such breach. Accordingly, Executive agrees that if Executive breaches or threatens to breach any of the promises contained in this Agreement, the Company Group shall, in addition to all other remedies it may have (including monetary remedies), be entitled to seek an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage to the Company Group. Nothing herein shall be construed as a waiver of any right the Company Group may have or hereafter acquire to pursue any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

14. Attorneys' Fees and Costs. In any action brought to enforce or otherwise interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party to the action or proceeding, including through settlement, judgment and/or appeal.

15. Assignment; Third-Party Beneficiaries. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to (i) any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly, acquires all or substantially all of the Company's stock or assets, or (ii) any affiliate or future affiliate of the Company, and such assignment by Company pursuant to this Section 15 shall automatically, and without any further action required by the Parties, relieve the assignor Company (and discharge and release the assignor Company) from all obligations and liabilities under or related to this Agreement (all such obligations and/or automatically liabilities assumed by the assignee Company). This Agreement shall be binding upon and inure to the benefit of any successor or assigns of Company. Executive may not assign this Agreement without the written consent of the Company. Executive agrees that each member of the Company Group is an express third-party beneficiary of this Agreement, and this Agreement, including the restrictive covenants and other obligations set forth in Sections 6, 7, 8, 9, and 10 hereof, are for each such member's benefit. Executive expressly agrees and consents to the enforcement of this Agreement, including but not limited to the restrictive covenants and other obligations in Sections 6, 7, 8, 9, and 10 hereof, by any member of the Company Group as well as by the Company Group's future affiliates, successors and/or assigns.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Florida.

17. Jurisdiction; Venue. The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of any Party for receipt of notices hereunder as provided in Section 24 hereof shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. The Parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction a Party is or may be subject, by suit upon such judgment.

18. Mutual Waiver of Jury Trial. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM, RIGHT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING BUT NOT LIMITED TO THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF ANY STATE, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATION. EACH PARTY HEREBY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING THE RIGHT TO DEMAND TRIAL BY JURY.

19. Waiver. No waiver of any breach or other rights under this Agreement shall be deemed a waiver unless the acknowledgment of the waiver is in writing executed by the Party committing the waiver. No waiver shall be deemed to be a waiver of any subsequent breach or rights. All rights are cumulative under this Agreement. The failure or delay of the Company at any time or times to require performance of, or to exercise any of its powers, rights or remedies with respect to any term or provision of this Agreement or any other aspect of Executive's conduct or employment in no manner (except as otherwise expressly provided herein) shall affect the Company's right at a later time to enforce any such term or provision.

20. **Survival.** The provisions of this Agreement that by their nature survive termination of this Agreement, including but not limited to the rights and obligations set forth in Section 4 and 6 through 19 of this Agreement, shall so survive the termination of this Agreement and the termination of Executive's employment with the Company regardless of the reason for termination, including upon expiration of the Employment Term; shall continue in full force and effect in accordance with their terms; and shall continue to be binding on the parties.

21. **Independent Advice.** Executive acknowledges that the Company has provided Executive with a reasonable opportunity to obtain independent legal advice with respect to this Agreement and, particularly, to understand and acknowledge the restrictions being placed on Executive pursuant to Sections 6-18 of this Agreement, and that Executive has had such independent legal advice prior to executing this Agreement.

22. **Entire Agreement.** This Agreement constitutes the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated. Neither Party is relying on any agreements, understandings, arrangements, promises, commitment, statements, or representations except those expressly set forth herein.

23. **Amendment.** This Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the Party or Parties against whom enforcement of such amendment, supplement, or modification is sought.

24. **Notices.** Any notice, request or other document required or permitted to be given under this Agreement shall be in writing and shall be deemed given: (a) upon delivery, if delivered by hand; (b) three business (3) days after the date of deposit in the mail, postage prepaid, if mailed by certified U.S. mail; or (c) on the next business day, if sent by prepaid overnight courier service. If not personally delivered by hand, notice shall be sent using the addresses set forth below or to such other address as either party may designate by written notice to the other:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company, to:

JGMT, LLC
301 Yamato Road, Suite 3250
Boca Raton, FL 33431
Attn: Chief Executive Officer

25. **Code Section 409A Compliance.** It is intended that the provisions of this Agreement are either exempt from or comply with the terms and conditions of Code Section 409A, and to the extent that the requirements of Code Section 409A are applicable thereto, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Section 25 does not constitute a "deferral of compensation" within the meaning of Code Section 409A and the regulations and other guidance thereunder: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

26. **Excess Parachute Excise Tax.** Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (including any acceleration) by the Company or any member of the Company Group or any entity which effectuates a transaction described in Section 280G(b)(2)(A)(i) of the Code to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise, but determined before application of any reductions required pursuant to this Section 26) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred with respect to such excise tax by the Executive (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company will automatically reduce such Payments to the extent, but only to the extent, necessary so that no portion of the remaining Payments will be subject to the Excise Tax, unless the amount of such Payments that the Executive would retain after payment of the Excise Tax and all applicable Federal, state and local income taxes without such reduction would exceed the amount of such Payments that the Executive would retain after payment of all applicable Federal, state and local taxes after applying such reduction. Unless otherwise elected by the Executive, to the extent permitted under Code Section 409A, such reduction shall first be applied to any severance payments payable to the Executive under this Agreement, then to the accelerated vesting on any equity-based compensation awards, starting with stock options and stock appreciation rights reversing accelerated vesting of those options and stock appreciation rights with the smallest spread between fair market value and exercise price first and after reversing the accelerated vesting of all stock options and stock appreciation rights, thereafter reversing accelerated vesting of restricted stock, restricted stock units, performance shares, performance units or other similar equity awards on a pro rata basis.

All determinations required to be made under this Section 26, including the assumptions to be utilized in arriving at such determination, shall be made by the Company's independent auditors or such other certified public accounting firm of national standing reasonably acceptable to the Executive as may be designated by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by either the Company or the Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion to such effect. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

27. **Counterparts; Electronic Transmission; Headings.** This Agreement may be executed in counterparts, each of which shall be deemed an original, including an electronic copy or facsimile, but both of which taken together shall constitute one and the same instrument. The headings used herein are for ease of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

JGMT, LLC

By: _____

Print Name: _____

Title: _____

EXECUTIVE:

/s/ Ed Kremer

Ed Kremer

Address:

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Appendix A
PRE-APPROVED PROJECT

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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Appendix B
PROPRIETARY RIGHTS AGREEMENT

Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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JUSHI HOLDINGS INC.

2019 EQUITY INCENTIVE PLAN

1. GENERAL.

(a) **Eligible Award Recipients.** Employees, Officers, Directors and Consultants are eligible to receive Awards.

(b) **Available Awards.** The Plan is an “evergreen” long-term incentive plan that provides for the grant of the following types of Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards and (vi) Other Awards.

(c) **Purpose.** The purpose of the Plan is to: (i) promote and retain employees, directors and consultants capable of assuring the future success of the Resulting Issuer and its affiliated companies; (ii) motivate management to achieve long-range goals; and (iii) to provide compensation and opportunities for ownership and alignment of interests with the Resulting Issuer shareholders.

2. ADMINISTRATION.

(a) **Administration by Board.** The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) **Powers of Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan and subject to the Canadian Securities Laws:

(i) To determine (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Subordinate Voting Shares under the Award; (E) the number of Subordinate Voting Shares subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to an Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or at which cash or Subordinate Voting Shares may be issued).

(v) To take any action as described under Section 11.

(vi) To submit any amendment to the Plan that requires shareholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding incentive stock options and to comply with the Canadian Securities Laws.

(vii) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(viii) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are employed outside the United States.

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(ix) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Award, (B) the cancellation of any outstanding Award and the grant in substitution thereof of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of Subordinate Voting Shares as the cancelled Award and (y) granted under the Plan or another equity or compensatory plan of the Company or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) **Delegation to Committee.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(d) **Delegation to an Officer.** To the extent permitted by law, the Board may delegate to one (1) or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of Subordinate Voting Shares to be subject to such Awards granted to such Employees. However, if and as required by applicable law, the Board resolutions regarding such delegation will specify the total number of Subordinate Voting Shares that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. Unless permitted by applicable law, the Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value if the Subordinate Voting Shares are not listed on any established stock exchange or traded on any established market.

(e) **Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) **Share Reserve.** Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of Subordinate Voting Shares that are available to be issued pursuant to Awards will not exceed 15% of the number of outstanding Subordinate Voting Shares, including the number of Subordinate Voting Shares underlying the Multiple Voting Shares and Super Voting Shares on an as- converted basis (the "**Fully Converted Number of Shares**") plus an additional 2% of the Fully Converted Number of Shares that may be used as inducements to Employees and Officers not previously employed by the Company and who were not previously an insider of the Company under applicable securities laws (the "**Share Reserve**"). For clarity, the Share Reserve is a limitation on the number of Subordinate Voting Shares that may be issued pursuant to the Plan. Accordingly, the Share Reserve does not limit the granting of Awards except as provided in Section 7(a).

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(b) **Reversion of Shares to the Share Reserve.** Subordinate Voting Shares in respect of which an Award is (i) exercised, (ii) granted under the Plan but not exercised prior to the termination of such Award, (iii) not vested or settled prior to the termination or forfeiture of such Award due to the expiration, termination, forfeiture, repurchase, cancellation or lapse of such Award, (iv) settled in cash in lieu of settlement in Subordinate Voting Shares, or (v) in the case of Restricted Stock Awards, in respect of which such Restricted Stock Awards are fully vested in accordance with the vesting provisions set by the Board or Committee or Committees to which the administration of the Plan has been delegated, shall, in each case, be available for Awards to be granted thereafter pursuant to the provisions of the Plan.

(c) **Incentive Stock Option Limit.** Subject to the Plan provisions relating to Capitalization Adjustments, the aggregate maximum number of Subordinate Voting Shares that may be issued pursuant to the exercise of Incentive Stock Options will be equal to the Share Reserve as of May 31, 2022.

(d) **Substitute Awards.** The Board may, in its discretion and on such terms and conditions as it considers appropriate under the circumstances and in accordance with Canadian Securities Laws, grant Awards under the Plan ("**Substitute Awards**") in substitution for stock and stock- based awards ("**Acquired Entity Awards**") held by current and former employees, directors or consultants of an Acquired Entity immediately prior to the transaction that caused the Acquired Entity to become an Acquired Entity in order to preserve for such current or former employees, directors and consultants the economic value of all or a portion of such Acquired Entity Award for such number of Shares and for such exercise price or purchase price (if applicable) as the Board determines necessary to achieve preservation of economic value.

(e) **Source of Shares.** The shares issuable under the Plan will be authorized but unissued or reacquired Subordinate Voting Shares, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) **Eligibility for Specific Awards.** Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. However, that Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Awards is treated as "service recipient stock" under Section 409A (for example, because the Awards are granted pursuant to a corporate transaction, such as a spin off transaction) or (ii) the Company, in consultation with its legal counsel, has determined that such Awards are otherwise exempt from or alternatively comply with the distribution requirements of Section 409A.

(b) **Ten Percent Stockholders.** A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.

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5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for Subordinate Voting Shares purchased on the exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical. However, each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) **Term.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement.

(b) **Exercise Price.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than one hundred percent (100%) of the Fair Market Value of the Subordinate Voting Shares subject to the Option or SAR on the date the Award is granted. Each SAR will be denominated in Subordinate Voting Shares equivalents.

(c) **Purchase Price for Options.** The purchase price of Subordinate Voting Shares acquired on the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft, electronic funds, wire transfer, or money order payable to the Company;

(ii) through a program that complies with Regulation T as established by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds (sometimes called a "*same day sale*" or "*sell to cover*");

(iii) by tendering the cash proceeds resulting from a sale to a third party investor of some of the shares to be exercised, but only if the investor is approved by the Company at the time of exercise;

(iv) by delivery to the Company (either by actual delivery or attestation) of Subordinate Voting Shares;

(v) if an option is a Nonstatutory Stock Option, by a "*net exercise*" arrangement by which the Company will reduce the number of Subordinate Voting Shares received on exercise by the largest whole number of shares with a fair market value that does not exceed the aggregate exercise price, coupled with a cash payment for any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued (and for clarity, these shares used to pay the exercise price will be issued at exercise, and then immediately reacquired by the Company);

(vi) by loan or other extension of credit to the Participant from the Company or an Affiliate, but only if interest on such loan will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code, and (B) the classification of the Award as a liability for financial accounting purposes; or

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(vii) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) **Exercise and Payment of a SAR.** To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (i) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of Subordinate Voting Shares equal to the number of Subordinate Voting Shares equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (ii) the strike price. The appreciation distribution may be paid in Subordinate Voting Shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) **Transferability of Options and SARs.** The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) **Restrictions on Transfer.** Except as otherwise provided in this subsection 5(c)(i) and subject to the Canadian Securities Laws, no Award (other than fully vested and unrestricted Subordinate Voting Shares issued pursuant to any Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Subordinate Voting Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. Where the Board does permit the transfer of an Award other than a fully vested and unrestricted Subordinate Voting Share, such permitted transfer shall be for no value and in accordance with all applicable Canadian Securities Laws.

(ii) **Domestic Relations Orders.** Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) **Beneficiary Designation.** Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Subordinate Voting Shares or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Subordinate Voting Shares or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) **Vesting Generally.** The total number of Subordinate Voting Shares subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary.

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(g) **Termination of Continuous Service.** Except as otherwise provided below or in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than on the Participant's death or Disability), the Participant may exercise his or her Option or SAR (if the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such other date as is specified in the Participant's Award Agreement, which must not be less than thirty (30) days following such termination), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR will terminate. In all cases, the unvested piece of an Option or SAR will terminate on the termination of Continuous Service.

(h) **Extension of Termination Date.** If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than on the Participant's death or Disability) would be prohibited at any time solely because the issuance of Subordinate Voting Shares would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the immediate sale of any Subordinate Voting Shares received on exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than on the Participant's death or Disability) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the sale of the Subordinate Voting Shares received on exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

(i) **Disability of Participant.** Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (if the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date that is twelve (12) months following such termination of Continuous Service, and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) **Death of Participant.** Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within three (3) months after the termination of the Participant's Continuous Service (for a reason other than death or Cause), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR on the Participant's death, but only within the period ending on the earlier of (A) the date that is twelve (12) months following the date of death, and (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR will terminate.

(k) **Termination for Cause.** Except as explicitly provided otherwise in a Participant's Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately on such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) **Non-Exempt Employees.** If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any Subordinate Voting Shares until at least six (6) months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) on a Change in Control in which such Option or SAR is not assumed, continued, or substituted, or (iii) on the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. If permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Award will be exempt from the employee's regular rate of pay, the provisions of this paragraph will apply to all Awards and are hereby incorporated by reference into such Award Agreements.

(m) **Early Exercise.** An Option may, but need not, include a provision whereby the Participant may elect before the Participant's Continuous Service terminates to exercise the Option as to any part or all of the Subordinate Voting Shares subject to the Option prior to the full vesting of the Option, except as would be inconsistent with Section 5(l). Subject to the repurchase limitation in Section 8(l), any unvested Subordinate Voting Shares so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the repurchase limitation in Section 8(l) is not violated, the Company shall not be required to exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Award Agreement.

6. PROVISIONS OF AWARDS OTHER THAN OPTIONS AND SARs.

(a) **Restricted Stock Awards.** Each Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's bylaws, at the Board's election, Subordinate Voting Shares may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Award Agreements may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Consideration.** A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, electronic funds, wire transfer or money order payable to the Company, (B) past services to the Company or an Affiliate or (C) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law, including by loan or other extension of credit to the Participant from the Company or an Affiliate, but only if interest on such loan will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code, and (B) the classification of the Award as a liability for financial accounting purposes.

(i i) **Vesting.** Subordinate Voting Shares awarded under the Restricted Stock Award may be subject to forfeiture to the Company in accordance with a vesting schedule (also referred to as a schedule for lapsing of the Company's unvested share repurchase rights) to be determined by the Board.

(i i i) **Termination of Participant's Continuous Service.** If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the Subordinate Voting Shares held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Award Agreement.

(i v) **Transferability.** The right to acquire Subordinate Voting Shares under a Restricted Stock Award will not be transferable by the Participant. Once the Subordinate Voting Shares are issued, the Board may allow the holder to transfer unvested shares, but only on the terms and conditions in the Award Agreement, and only so long as the Subordinate Voting Shares awarded under the Award Agreement remains subject to the terms of the Award Agreement in the hands of the recipient.

(v) **Dividends.** In the absence of an Award Agreement expressly providing otherwise, any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) **Restricted Stock Unit Awards.** Each Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Award Agreements may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Consideration.** At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant on delivery of each share of Subordinate Voting Shares subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Subordinate Voting Shares subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law, including by loan or other extension of credit to the Participant from the Company or an Affiliate, but only if interest on the loan will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code, and (B) the classification of the Award as a liability for financial accounting purposes.

(i i) **Vesting.** At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(i i i) **Payment.** A Restricted Stock Unit Award may be settled by the delivery of Subordinate Voting Shares, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Award Agreement.

(i v) **Additional Restrictions.** At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Subordinate Voting Shares (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) **Dividend Equivalents.** Dividend equivalents may be credited on Subordinate Voting Shares covered by a Restricted Stock Unit Award, as determined by the Board and contained in Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional Subordinate Voting Shares covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Award Agreement to which they relate.

(v i) **Termination of Participant's Continuous Service.** Except as otherwise provided in the applicable Award Agreement, the unvested portion of the Restricted Stock Unit Award that has not vested will be forfeited on the Participant's termination of Continuous Service.

(c) **Other Awards.** Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Subordinate Voting Shares, including the appreciation in value thereof, may be granted either alone or in addition to Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan and subject to the Canadian Securities Laws, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of Subordinate Voting Shares (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards, provided that the exercise or strike price of such Other Awards is not less than 100% of the Fair Market Value of the Subordinate Voting Shares.

7. COVENANTS OF THE COMPANY.

(a) **Availability of Shares.** The Company will keep available at all times the number of Subordinate Voting Shares reasonably required to satisfy then-outstanding Awards.

(b) **Compliance with Laws.** The Company will use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell Subordinate Voting Shares on exercise of the Awards. However, this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Subordinate Voting Shares issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Subordinate Voting Shares under the Plan, the Company will be relieved from any liability for failure to issue and sell Subordinate Voting Shares on exercise of such Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Subordinate Voting Shares pursuant to the Award if such grant or issuance would be in violation of any applicable law.

(c) **No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award.

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Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. MISCELLANEOUS.

(a) **Use of Proceeds from Sales of Subordinate Voting Shares.** Proceeds from the sale of Subordinate Voting Shares pursuant to Awards will constitute general funds of the Company.

(b) **Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. If the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

(c) **Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Subordinate Voting Shares subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms, and (ii) the issuance of the Subordinate Voting Shares subject to such Award has been entered into the books and records of the Company.

(d) **No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer on any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted, or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) **Change in Time Commitment.** If a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee, or if the Participant goes on a leave of absence other than ordinary course vacation and sick days) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (and without the need to seek or obtain the consent of the affected Participant) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) **Incentive Stock Option Limitations.** If the aggregate Fair Market Value (determined at the time of grant) of Subordinate Voting Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 or such other limit established in the Code or if an Option grant otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with the rules will be treated as Nonstatutory Stock Options, despite any contrary provision of the applicable Option Agreement(s).

(g) **Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Subordinate Voting Shares under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters, and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters, and as to the Participant's capability of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Subordinate Voting Shares subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Subordinate Voting Shares. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares on the exercise or acquisition of Subordinate Voting Shares under the Award has been registered under a then currently effective registration statement under the Securities Act and any other applicable foreign securities laws, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, on advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Subordinate Voting Shares.

(h) **Withholding Obligations.** Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding Subordinate Voting Shares from the Subordinate Voting Shares issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement. If Subordinate Voting Shares are withheld to satisfy tax obligations, such shares will be deemed issued and then immediately tendered to the Company and no Subordinate Voting Shares will be withheld for these purposes to the extent they have a value exceeding the greater of (x) the minimum amount of tax required to be withheld by law and (y) the amount of tax required to be withheld under the Participant's then-current lawful withholding election, but in all cases, not more than the maximum amount that avoids classification of the Award as a liability for financial accounting purposes. For clarity, no partial shares will be withheld, and the Participant must satisfy the tax obligation related to any such partial share using another permitted form of payment.

(i) **Electronic Delivery.** Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically (filed publicly at www.sec.gov or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) **Deferrals.** To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Subordinate Voting Shares or the payment of cash, on the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A. Consistent with Section 409A, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) **Compliance with Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. If an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement, with the permitted distribution events and timing being the earlier of the date of termination of Continuous Service and the date of a Change in Control. However, and unless the Award Agreement specifically provides otherwise, if the Subordinate Voting Shares are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six (6) months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(l) **Non U.S. Participants.** To facilitate the making of any grant or combination of grants under this Plan, the Board may provide for such special terms or procedures for awards to Participants who are employed by the Company or any Affiliate outside of the United States of America or who provide services to the Company under an agreement with a foreign nation or agency, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy, custom securities or exchange control laws. Moreover, the Board may approve such supplements to or amendments of this Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan.

(m) **Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Subordinate Voting Shares or other cash or property on the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

9. ADJUSTMENTS ON CHANGES IN SUBORDINATE VOTING SHARES; OTHER CORPORATE EVENTS.

(a) **Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan as the Share Reserve, (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c) and (iii) the class(es) and number of securities and price per share subject to outstanding Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) **Dissolution or Liquidation.** Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all

outstanding Awards (other than Awards consisting of vested and outstanding Subordinate Voting Shares not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the Subordinate Voting Shares subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company despite the fact that the holder of such Award is providing Continuous Service. However, the Board may, in its sole discretion, cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) **Change in Control.** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change in Control, and despite any other provision of the Plan, the Board may take one or more of the following actions with respect to Awards, contingent on the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar stock award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Subordinate Voting Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) immediately prior to the effective time of the Change in Control;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award on a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, on the date that is five days prior to the effective date of the Change in Control); or

(v) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

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(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received on the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise, in consideration for the termination of such Award at or immediately prior to the closing. For clarity, this payment may be zero if the fair market value of the property is equal to or less than the exercise price.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award. Only to the extent permitted under Code Section 409A may the Board provide that payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Subordinate Voting Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or other contingencies. In addition, the Board may provide that such payments made over time will remain subject to substantially the same vesting schedule as the Award, including any performance-based vesting metrics that applied to the Award immediately prior to the closing of the Change in Control. An Award may be subject to additional acceleration of vesting and exercisability in connection with a Change in Control as may be provided in the Award Agreement for such Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur. The Board may require that any award, cash or property paid in consideration for a cancelled or exchanged Award be subject to the same terms and conditions (including earn out, escrow or milestone payments) as apply to the consideration paid to the Company's stockholders in the deal, but only if doing so would not result in adverse tax penalties under Section 409A.

10. TERM, TERMINATION AND SUSPENSION OF THE PLAN.

The Board may suspend or terminate the Plan at any time, provided that any such suspension or termination of the Plan or an Award will be in compliance with the Canadian Securities Laws. This Plan shall be submitted for shareholder approval every three (3) years in accordance with the Canadian Securities Laws. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

11. AMENDMENT

The Board may amend, alter, suspend, discontinue or terminate the Plan and/or amend any outstanding Award at any time without shareholder approval (unless shareholder approval is required under Canadian Securities Laws) for the following reasons: (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (C) to clarify the manner of exemption from, or to bring the Award into compliance with Section 409A, (D) to correct clerical or typographical errors, (E) to make amendments of a housekeeping nature, (F) to make an addition of or a change to vesting provisions of a security of the Plan, (G) to make a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date, or (H) to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or requirements of an applicable securities exchange), and any other applicable laws, including Canadian Securities Laws or listing requirements; *provided* that no such amendment, alteration, suspension, discontinuation or termination may adversely affect Awards then outstanding without the Award holder's permission.

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12. EFFECTIVE DATE OF THE PLAN.

This Plan became effective on the Effective Date.

13. CHOICE OF LAW.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

14. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

- (a) **"Acquired Entity"** means a corporation or other entity that is acquired by the Company or an Affiliate, or which becomes an Affiliate, pursuant to a merger, consolidation, stock purchase, asset purchase or similar transaction.
- (b) **"Acquired Entity Awards"** has the meaning set forth in Section 3(d).
- (c) **"Affiliate"** means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.
- (d) **"Award"** means (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (i) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards and (vi) Other Awards.
- (e) **"Award Agreement"** means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.
- (f) **"Board"** means the board of directors of the Company.
- (g) **"Canadian Securities Laws"** means all applicable securities laws of Canada and the rules and requirements of the Canadian Securities Exchange and/or any other applicable securities exchange.
- (h) **"Capitalization Adjustment"** means any change that is made in, or other events that occur with respect to, the Subordinate Voting Shares subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). However, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.
- (i) **"Cause"** will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term as applicable to an Award and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony, (ii) such Participant's commission of a crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof that is reasonably likely to result in material adverse effects on the Company; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (v) such Participant's gross misconduct that is reasonably likely to result in material adverse effects on the Company. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board, in its sole discretion. Any determination by the Board that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect on any determination of the rights or obligations of the Company or such Participant for any other purpose.

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- (j) **"Change in Control"** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:
 - (i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. However, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because the level of Ownership held by any Exchange Act Person (the **"Subject Person"**) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding. However, if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;
 - (ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction, or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; or
 - (iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition.

However, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement. If necessary for compliance with Code Section 409A, no transaction will be a Change in Control unless it is also a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5). The Board may, in its sole discretion and without a Participant's consent, amend the definition of **"Change in Control"** to conform to the definition of **"Change in Control"** under Section 409A of the Code, and the regulations thereunder.

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- (k) **"Code"** means the United States Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.
- (l) **"Committee"** means a compensation committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).
- (m) **"Company"** means **Jushi Holdings Inc.**, a company incorporated under the laws of British Columbia.

(n) **"Consultant"** means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services, in either case, only if such person satisfies the requirements to be a consultant for purposes of Rule 701.

(o) **"Continuous Service"** means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service. If the entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. If permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer of the Company, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. However, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant or as otherwise required by law. In addition, if required for exemption from or compliance with Section 409A of the Code, the determination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(p) **"Director"** means a member of the Board.

(q) **"Disability"** means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(r) **"Effective Date"** means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company's stockholders and (ii) the date this Plan is adopted by the Board.

(s) **"Employee"** means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

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(t) **"Entity"** means a corporation, partnership, limited liability company or other entity.

(u) **"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(v) **"Exchange Act Person"** means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary, (ii) any employee benefit plan of the Company or any Subsidiary or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the date of determination, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities.

(w) **"Fair Market Value"** means, as of any date, the value of the Subordinate Voting Shares determined as follows:

(i) Unless otherwise determined by the Board, if the Subordinate Voting Shares are listed or quoted on the Canadian Securities Exchange or a national or regional securities exchange or quotation system, the Fair Market Value of a Subordinate Voting Share will be the closing price of a Subordinate Voting Share as quoted on the Canadian Securities Exchange or national or regional securities exchange or quotation system with the greatest volume of trading in the Subordinate Voting Shares on the date of determination, or, if there is no closing sales price for the Subordinate Voting Shares on the date of determination, then the Fair Market Value will be the closing price on the last preceding date for which such quotation exists. Notwithstanding the foregoing, in the event that the Subordinate Voting Shares are listed on the Canadian Securities Exchange, for the purposes of establishing the exercise price of any Awards, the Fair Market Value of all of the Subordinate Voting Shares shall not be lower than the greater of the closing of the market price of the Subordinate Voting Shares on the Canadian Securities Exchange on (a) the prior trading day, and (b) the date of grant of the Awards.

(ii) In the absence of such markets for the Subordinate Voting Shares, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

In determining the value of a share for purposes of tax reporting on the exercise, issuance or transfer of shares subject to Awards, fair market value may be calculated using the definition of Fair Market Value, the actual sales price in the transaction at issue (e.g., "sell to cover"), or such other value determined by the Company's general counsel or principal financial officer in good faith in a manner that complies with applicable tax laws.

(x) **"Fully Converted Number of Shares"** has the meaning set forth in Section 3 (a).

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(y) **"Good Reason"** will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term as applicable to an Award and, in the absence of such agreement, such term means, with respect to a Participant, the Participant's resignation from all positions he or she then holds with the Company following: (i) a reduction in the Participant's base salary of more than 10% or (ii) the required relocation of Participant's primary work location to a facility that increases his or her one-way commute by more than 50 miles, in either case, only if (x) Participant provides written notice to the Company's Chief Executive Officer within 30 days following such event identifying the nature of the event, (y) the Company fails to cure such event within 30 days following receipt of such written notice and (z) Participant's resignation is effective not later than 30 days thereafter.

(z) **"Incentive Stock Option"** means an option granted under the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(aa) **"Multiple Voting Shares"** means the multiple voting shares of the Company.

(bb) [intentionally omitted]

(cc) "**Nonstatutory Stock Option**" means any option granted under the Plan that does not qualify as an Incentive Stock Option.

(dd) "**Officer**" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(ee) "**Option**" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase Subordinate Voting Shares granted pursuant to the Plan.

(ff) "**Other Award**" means an award based in whole or in part by reference to the Subordinate Voting Shares which is granted pursuant to the terms and conditions of Section 6(c).

(gg) "**Own**", "**Owned**", "**Owner**", "**Ownership**" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(hh) "**Participant**" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(ii) "**Permitted Transferee**" has the meaning set forth in Section 8(n).

(jj) "**Plan**" means this Jushi Holdings Inc. 2019 Equity Incentive Plan.

(kk) "**Restricted Stock Award**" means an award of Subordinate Voting Shares which is granted pursuant to the terms and conditions of Section 6(a).

(ll) "**Restricted Stock Unit Award**" means a right to receive Subordinate Voting Shares which is granted pursuant to the terms and conditions of Section 6(b).

(mm) "**Rule 405**" means Rule 405 promulgated under the Securities Act.

(nn) "**Rule 701**" means Rule 701 promulgated under the Securities Act.

(oo) "**Section 409A**" means Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect.

(pp) "**Securities Act**" means the United States Securities Act of 1933, as amended.

(qq) "**Share Reserve**" has the meaning set forth in Section 3(a).

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(rr) "**Stock Appreciation Right**" or "**SAR**" means a right to receive the appreciation on Subordinate Voting Shares that is granted pursuant to the terms and conditions of Section 5.4.

(ss) "**Subordinate Voting Shares**" means the subordinate voting shares of the Company.

(tt) "**Subsidiary**" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

(uu) "**Substitute Awards**" has the meaning set forth in Section 3(d).

(vv) "**Super Voting Shares**" means the super voting shares of the Company.

(ww) "**Ten Percent Stockholder**" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

(xx) "**Treasury Regulations**" means the final or temporary regulations that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code, and any successor regulations.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is effective January 1, 2022 (the “Effective Date”), by and between JGMT, LLC, a Florida limited liability company (the “Company”), James Cacioppo (the “Executive”) and Jushi Holdings Inc. (“Parent”). (Company and Executive are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”)

WHEREAS, the Executive was hired by the Company on April 1, 2018; and

WHEREAS, the Executive agrees to continue to provide services for the benefit of the Company and Parent for the additional period provided herein, and the Company wishes to procure such services as provided herein.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Employment Term. This Agreement shall be effective as of the Effective Date and Executive’s employment with the Company shall continue in accordance with the terms of this Agreement and shall continue for an initial period of two (2) years and one day following the Effective Date (the “Initial Term”), unless earlier terminated pursuant to Section 5 hereof. Upon the end of the Initial Term, the term of this Agreement shall automatically renew for one successive two-year period (the “Renewal Term”) unless the Company provides written notice to the Executive of its intention to not renew this Agreement at least 60 days prior to the end of the Initial Term or the Renewal Term, as applicable, or the Executive provides written notice to the Company of his intention to not renew this Agreement at least 60 days prior to the end of the Initial Term or the Renewal Term. For purposes of this Agreement, the “Employment Term” shall mean the Initial Term and the Renewal Term, in each case subject to early termination in accordance with Section 5 hereof.

2. Position and Duties; Exclusive Employment; No Conflicts.

(a) Position and Duties; Exclusive Employment. During the Employment Term, Executive shall serve as an employee of the Company and as Chief Executive Officer of the Parent and Chairman of the board of directors (the “Board”) of Parent, reporting directly to the Board and shall have such duties, authority, and responsibility as shall be assigned and determined from time to time by the Board, including duties and responsibilities for the Company, Parent, any future parent of the Company, and each of their current and future subsidiaries and affiliates (collectively referred to herein as the “Company Group”). Executive shall perform those duties and have those authorities commensurate with the position of Chief Executive Officer. During the Employment Term, Executive shall (i) perform Executive’s duties and responsibilities hereunder faithfully and to the best of Executive’s abilities in a diligent manner and in accordance with the Company Group’s policies and applicable law, (ii) use Executive’s commercially reasonable best efforts to promote the success of the Company Group, and (iii) not do anything, or permit anything to be done at Executive’s direction, that is intended to be inconsistent with Executive’s duties to the Company Group or opposed to the best interests of the Company Group or which is a conflict of interest, in each case, subject to applicable law. Notwithstanding the foregoing, Executive may (i) engage in religious, charitable or other community activities, (ii) actively manage Executive’s personal investments and affairs, which may occur during business hours, including by serving as a member of the board of directors of any company in which Executive personally invests; and (iii) continue the outside activities set forth on Exhibit A hereto, provided that the outside activities described in clauses (i) through (iii) shall not, individually or in the aggregate, interfere with Executive’s performance of Executive’s duties to Company Group. Any other outside business activities not described herein shall require the prior written approval of the Board (or a duly authorized committee thereof), which approval will not be unreasonably withheld, conditioned or delayed.

(b) Principal Office. Executive’s principal office will be located in Boca Raton, FL but Executive will be expected to travel extensively on behalf of the Company.

(c) No Conflict. Executive represents and warrants to the Company that Executive has the capacity to enter into this Agreement, and that the execution, delivery and performance of this Agreement by Executive will not violate any agreement, undertaking or covenant to which Executive is party or is otherwise bound, including any obligations with respect to non-competition, non-solicitation, or proprietary or confidential information of any other person or entity.

3. Compensation; Benefits. In consideration for the services to be provided by the Executive and the other premises and covenants set forth herein, the Company agrees to compensate the Executive as follows:

(a) Base Salary. From the Effective Date, the Company shall pay to Executive an annual base salary of \$750,000 (as the same may be increased from time to time, the “Base Salary”), which shall be payable in regular installments in accordance with the Company’s customary payroll practices and procedures, but in no event less frequently than monthly. On each anniversary of the Effective Date, the Base Salary shall be increased by an additional \$100,000 per year.

(b) Annual Bonus. During the Employment Term, the Executive shall be eligible to receive an annual bonus for each fiscal year or portion thereof during which the Executive has been employed hereunder, with the minimum amount of the target bonus to be no less than one hundred percent (100%) of the Base Salary (the “Annual Bonus”), (such target bonus amount to be reviewed by the of the compensation committee of the Board on an annual basis for increases but not decreases). The actual amount of any Annual Bonus earned by Executive shall be at the discretion of the Board; provided that in no event shall such Annual Bonus be less than the target. The Annual Bonus shall be paid in cash and shall be paid in no event later than two-and-a-half months following the end of the fiscal year in which the Annual Bonus relates.

(c) Welfare Benefit Plans. During the Employment Term, Executive shall be eligible to participate in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by the Company or its affiliates for similarly situated executives of the Company employed in the United States, subject in each instance to the terms and conditions of such plans, practices, policies and programs. The Company reserves the right to amend or terminate its employee benefit plans at any time.

(d) Expenses. During the Employment Term, Executive shall be entitled to reimbursement of all documented reasonable business expenses incurred by Executive in accordance with past practices related to the Executive’s prior travel and expense activities. In addition, Executive shall be entitled to reimbursement of all documented legal fees incurred by Executive related to the negotiation of this Agreement and the agreements and documents referred to herein. To the extent that any reimbursement of expenses under this Section 3(d) constitutes “deferred compensation” under Section 409A of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder (as amended, the “Code” and such section of the Code, “Code Section 409A”), such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year and the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(c) Vacation. During the Employment Term, Executive shall be entitled to time off as needed, subject to the business needs of the Company and the Parent.

(f) Equity Compensation. During the Employment Term, Executive shall be eligible to receive an annual equity-based compensation award (an “LTI Award”) from the Parent, subject to compliance with Applicable Securities Laws (as hereinafter defined). During the Initial Term, the LTI Awards shall be as follows: (i) on or before July 30, 2022, Parent shall grant Executive an option to purchase three million (3,000,000) subordinate voting shares in Parent (“Shares”) (the “2021 LTI Award”); and (ii) on or before January 1, 2023, Parent shall grant Executive an option to purchase three million (3,000,000) Shares (the “2022 LTI Award”). During the Renewal Term(s) (if applicable), the LTI Awards shall be as follows: (i) on or before January 1, 2024 Parent shall grant Executive an option to purchase three million (3,000,000) Shares (the “2023 LTI Award”); on or before January 1, 2025, Parent shall grant Executive an option to purchase three million (3,000,000) Shares (the “2024 LTI Award”); and (ii) on or before January 1, 2026, Parent shall grant Executive an option to purchase three million (3,000,000) Shares (the “2025 LTI Award”), in each case, except as otherwise provided in Section 5 hereof, subject to Executive’s continued service with the Company through each grant date. The LTI Awards shall be granted under Parent’s 2019 Equity Incentive Plan, as amended (the “Equity Plan”), and shall be evidenced by an option agreement setting forth the terms and conditions of the LTI Award, which shall generally be consistent with the terms set forth herein and shall provide for a five-year post termination exercise period. Each LTI Award shall have an exercise price per Share equal to the Fair Market Value (as such term is defined in the Equity Plan) of a Share on the LTI Award grant date. The LTI Awards shall be subject to time-based vesting as set forth in Exhibit B attached hereto; provided, however, all LTI Awards shall be subject to vesting in accordance with Sections 5 and 7 hereto. All Share numbers in this Section 3(f) referencing an LTI Award that has not yet been granted at the time of any “Capitalization Adjustment” shall be equitably adjusted by the Board to reflect any “Capitalization Adjustment”, as such term is defined in the Equity Plan, and the Board’s good faith action with respect to such adjustment shall be final, binding and conclusive. In the event there is an insufficient number of Shares available under the Equity Plan to make an LTI Award to Executive on any date Executive is otherwise eligible to receive an LTI Award, Executive and Parent pledge to negotiate in good faith to provide Executive with economically equivalent compensation in an alternative form.

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(g) Director and Officer Indemnification. During the Employment Term and thereafter, the Company shall, to the fullest extent permitted by law, promptly indemnify Executive against all costs, charges, losses, expenses and liabilities (including, but not limited to, reasonable attorneys’ fees and costs incurred in defending legal proceedings) incurred by Executive in connection with any actual, threatened or reasonably anticipated claim, suit, action or proceeding arising in connection with the execution, discharge or exercise of Executive’s duties as an officer or director of the Company or any member of the Company Group and/or the exercise of Executive’s powers in Executive’s capacity as an officer or director of the Company or any member of the Company Group or otherwise in relation thereto (including, without limitation, any regulatory filings and licenses required for the business of the Company Group). Such expenses shall be promptly advanced to Executive to the fullest extent permitted by law. The Company shall also provide and maintain directors’ and officers’ liability insurance coverage for Executive’s benefit during Executive’s service with the Company or any member of the Company Group in any capacity and for a period six years thereafter, *provided* that such coverage shall be no less favorable than the coverage provided to other members of the Board. The Company shall also assist the Executive in preparing and filing any applicable regulatory filings for the Company Group and shall reimburse the Executive for any expenses incurred by the Executive with respect thereto. Any amount payable pursuant to this Section 3(g) shall be paid to Executive as soon as practicable but, in any event no later than two-and-a-half months following the end of the fiscal year in which a right to payment arises.

(h) Withholding Taxes. All forms of compensation paid or payable to Executive, whether under this Agreement or otherwise, are subject to reduction to reflect applicable withholding and payroll taxes pursuant to any applicable law or regulation

4. Piggyback Registration.

(a) In the event that Parent proposes to conduct for its own account a registered offering for cash of Shares or other voting equity securities or files a registration statement or registration statements therefor under Applicable Securities Laws (as defined below), other than a registration statement (or any registered offering with respect thereto) (i) filed in connection with any employee stock option or other benefit plan, (ii) pursuant to a registration statement under the Securities Act of 1933, as amended (the “Securities Act”) on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), (iii) for an offering of debt that is convertible into voting equity securities of the Company, or (iv) for a dividend reinvestment plan, Executive shall have the right, subject to the Board’s good faith discretion described below, to include as part of such registration, up to a pro rata portion of Executive’s fully-diluted vested equity securities in the Parent in such registered offering and any applicable registration statement filed for the purpose thereof. Notwithstanding the foregoing, the Executive’s right to participate in any such registered offering and the number of Executive’s equity securities in the Parent that may be offered thereunder, if any, shall be subject to the Board’s good faith discretion, and in the event that the Board determines (including upon the good faith advice of any managing underwriter(s) for such offering), that the dollar amount or number of equity securities that Parent desires to sell, taken together with Executive’s equity securities in Parent that Executive desires to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering, then the Board may reduce the number of Executive’s equity securities in Parent that may be included in such offering by the minimum amount necessary to avoid such adverse consequences.

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(b) In connection with any registration statement in which Executive is participating, Executive shall furnish (or cause to be furnished) to Parent in writing such information as Parent reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify Parent, its directors, officers, agents and employees, each person, if any, who controls Parent within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), against all loss, claim, damage, expense or liability (including all reasonable attorneys’ fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, arising from (i) information furnished by or on behalf of Executive in writing, for specific inclusion in such registration statement or that relates to Executive or Executive’s proposed method of distribution of registered securities and was reviewed and approved in writing by Executive expressly for use in such registration statement or (ii) sales by Executive of registered securities after Parent has advised Executive in writing that such registration statement may no longer be used due to a material misstatement or omission.

(c) In order to participate in any underwritten offering or other offering for equity securities of Parent pursuant to a registration initiated by Parent hereunder, Executive (and any applicable affiliate participating in the offering) (i) agrees to sell such person’s or entity’s securities on the basis provided in any underwriting, sales, distribution or placement arrangements approved by Parent and (ii) agrees to complete and execute all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting or other agreements and other customary documents as may be reasonably required under the terms of such underwriting, sales, distribution or placement arrangements; provided that Executive shall only be subject to the lock-up restrictions set forth in any such agreements if the directors and officers of Parent are subject to a similar obligation and the length of any lock-up obligation for Executive shall be no longer than the shortest lock-up of any such directors and officers.

(d) For purposes of this Agreement, the term “Applicable Securities Laws” means all applicable securities laws of the United States and/or Canada, including without limitation, the Securities Act, the Exchange Act and any blue sky or other state securities laws in the United States, and the applicable rules and regulations of the Canadian Securities Exchange and/or any other United States or Canadian stock exchange on which the Parent’s equity securities are then listed or traded.

5. Termination. This Agreement and Executive's employment with the Company may be terminated in accordance with any of the following provisions.

(a) Termination by the Company Without Cause or by the Executive for Good Reason. The Company may terminate Executive's employment and this Agreement without Cause (as defined in Section 5(f)) by providing written notice to the Executive at least forty-five (45) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. In the event Company terminates Executive's employment and this Agreement without Cause (or by election not to renew for the Renewal Term pursuant to Section 1 hereof) or the Executive terminates his employment with the Company for Good Reason (as defined in Section 5(f)), the Company shall provide the Executive with the following, subject to the Executive executing a general release of all claims in a form mutually agreeable to Executive and the Company, which Executive and the Company mutually pledge to negotiate in good faith and agree to no later than July 30, 2022, that becomes final, binding and irrevocable no more than fifty-five (55) days after Executive's termination of employment ("Release") (i) the grant of the LTI Award for the fiscal year of termination that would have otherwise been granted by the end of the fiscal year; (ii) full vesting as of the date of termination of all the Executive's outstanding equity-based awards of Parent (including the LTI Awards, including those referenced in clause (i) and (iii) a one-time lump sum payment equal to five million dollars (\$5,000,000) (clause (iii), the Severance Payments"). The Severance Payments shall be made within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, if necessary to comply with Code Section 409A, such Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment date as if no delay had been imposed. In the event the LTI Award described in clause (i) above cannot be granted in compliance with Applicable Securities Laws, Executive and Parent pledge to negotiate in good faith to provide Executive with economically equivalent compensation in an alternative form.

(b) Termination by Executive without Good Reason. Executive may terminate his employment and this Agreement without Good Reason by providing written notice to the Company at least thirty (30) days prior to the effective date of termination (the "Executive Notice Period"). During the Executive Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Executive Notice Period.

(c) Termination by the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause, which shall be effective upon delivery by the Company of written notice to Executive of such termination.

(d) Death of Executive. Executive's employment and this Agreement shall terminate automatically upon the date of Executive's death. In the event of a termination due to death and Executive's estate signs the Release, Executive's estate, shall be entitled to the following payments and benefits: (i) a lump sum payment of a pro rata portion of the Annual Bonus in respect of the fiscal year in which such termination occurs based on the number of days elapsed in such year through the effective date of Executive's termination of employment (the "Pro Rata Bonus Payment"); (ii) a lump-sum cash payment in an amount equal to the monthly COBRA premiums that Executive would be required to pay to continue group health coverage as in effect on the date of his termination for himself and, if applicable, his eligible covered dependents for a period of eighteen (18) months following the Executive's termination of employment, which payment shall be made regardless of whether Executive or his dependent elects COBRA continuation coverage (the "COBRA Equivalent Payment"); and (iii) full vesting on the date of death of all outstanding equity-based awards of Parent (including all LTI Awards), subject to compliance with Applicable Securities Laws, (clauses (i) through (ii) collectively, the "Separation Payments"). The Separation Payments shall be made within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, if necessary to comply with Code Section 409A, such Separation Payment shall not be paid to Executive's estate until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive's estate during the period beginning on the date of the Executive's termination and ending on the Separation Payment date as if no delay had been imposed.

(e) Disability of Executive. This Agreement shall be terminated upon thirty (30) days' written notice by Company to Executive that Company has made a good faith determination that Executive has a Disability (as defined in Section 5(f)). In the event of a termination due to Disability and Executive signs the Release, Executive, shall be entitled to the Separation Payments which shall be paid within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, if necessary to comply with Code Section 409A, such Separation Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Separation Payment date as if no delay had been imposed.

(f) Definitions. The terms set forth below have the following meanings, except where otherwise expressly indicated:

(i) "Cause" shall mean, with respect to Executive, one or more of the following: (A) commission of a felony or other crime involving moral turpitude that has been fully adjudicated including all appeals during Executive's employment with the Company; provided, that for the sake of clarity, no action or inaction by Executive that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause; or (B) a breach of any applicable fiduciary duty with respect to the Company based on Executive's gross negligence or willful misconduct.

(ii) "Change of Control" means the occurrence of any one of the following:

(A) any one person (or more than one person acting as a group) other than any trustee or other fiduciary holding securities of the Parent under an employee benefit plan of the Parent, an underwriter temporarily holding securities pursuant to an offering of such securities or any corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, directly or indirectly acquires equity securities representing more than 50% of the combined voting power or fair market value of the Parent's then outstanding equity securities;

(B) the consummation of a reorganization, merger, statutory share exchange, consolidation, amalgamation or similar corporate transaction (each, a "Business Combination") other than a Business Combination in which all or substantially all of the persons who were the beneficial owners

of the Parent's voting securities immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the combined voting power and fair market value of the voting securities of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of the Business Combination owns the Parent or all or substantially all of the Parent's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership of the Parent's voting securities immediately prior to such Business Combination;

(C) any one person (or more than one person acting as a group) acquires all or substantially all of the assets of the Parent within any twelve (12) consecutive month period; or

(D) individuals who, as of the Effective Date, constituted the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; provided, that any individual who becomes a member of the Board subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors shall be treated as an Incumbent Director unless he or she assumed office in connection with a Business Combination or as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

Notwithstanding the forgoing, if necessary to comply with Code Section 409A, none of the foregoing events shall constitute a Change of Control of the Parent unless such event also constitutes a change in ownership of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v), a change in the effective control of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(vi) or a change in ownership of a substantial portion of the assets of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(vii).

(iii) "Disability" means (i) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive's duties (provided, however, that the Company acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); (ii) such total incapacity shall have continued for a period of six (6) consecutive months; and (iii) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive's life.

(iv) "Good Reason" means (i) the assignment to Executive of any duties materially inconsistent with his position, including any change in status, title, authority, duties or responsibilities or other action which results in a material diminution in such status, title, authority, duties or responsibilities; (ii) a material reduction in Executive's Base Salary by the Company; (iii) the relocation of Executive's principal office to a location more than fifty (50) miles from his then current principal office; or (iv) beginning during the 2023 fiscal year, Executive finds a replacement for his position and such replacement is approved by the Board.

6. Payments of Accrued Obligations Upon Termination. In the event that Executive's employment with the Company terminates for any reason, the Company's obligation to compensate Executive shall in all respects cease as of the date of termination, except that the Company shall pay to Executive through the date of termination (i) any accrued but unpaid Base Salary, (ii) any unpaid Annual Bonus for the year prior to the year of termination; (iii) any payments Executive is entitled to receive pursuant to Section 3, and (iv) any rights or payments that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the date of termination of employment under any benefit plan or any other contract or agreement with the Company, which shall be payable in accordance with the terms of such benefit plan, contract or agreement, except as explicitly modified by this Agreement, including, without limitation, any of Executive's business expenses that are reimbursable, but have not been reimbursed as of the date of termination of employment (the "Accrued Obligations"). The Company shall pay to Executive (or to Executive's estate in the event of Executive's death), the Accrued Obligations (other than the Severance Payments described in Section 5(a) and Separation Payments described in Section 5(c)) within thirty (30) days after the date of termination of Executive's employment with the Company.

7. Change in Control Benefits. In the event of a Change in Control during the Employment Term, the Company shall provide the Executive with: (i) a one-time lump sum payment equal to five million dollars (\$5,000,000); (ii) a grant of the LTI Award that would have otherwise been granted during the fiscal year of the Change in Control, which shall be granted immediately prior to such Change in Control subject to compliance with Applicable Securities Laws; and (iii) full vesting of all the Executive's outstanding equity-based awards of Parent (including all LTI Awards, including those referenced in clause (ii)) subject to compliance with Applicable Securities Laws.

8. Non-Disclosure of Confidential Information.

(a) Confidential Information. Executive acknowledges that in the course of Executive's employment with the Company, Executive will be provided with, have access to, access, use, and develop Confidential Information (as defined herein) of the Company Group. For purposes of this Agreement, "Confidential Information" shall mean and include all information, whether written or oral, tangible or intangible (in any form or format), of a private, secret, proprietary or confidential nature, of or concerning the Company Group or the business or operations of the Company Group, including without limitation: any trade secrets or other confidential or proprietary information which is not publicly known or generally known in the industry; the identity, background, and preferences of any current or prospective clients, investors, distributors, suppliers, vendors, referral sources, and business affiliates; pricing and financial information; current and prospective client, investor, distributor, supplier, or vendor lists and leads; proposals with prospective clients, investors, distributors, suppliers, vendors, or business affiliates; contracts with clients, investors, distributors, suppliers, vendors or business affiliates; marketing plans; brand standards guidelines; proprietary computer software and systems; marketing materials and information; operating and business plans and strategies; research and development; policies and manuals; personnel information of employees that is private and confidential; any information related to the compensation of employees, consultants, agents or representatives of Company Group; sales and financial reports and forecasts; any information concerning any product, technology or procedure employed by Company Group but not generally known to its current or prospective clients, investors, distributors, suppliers, vendors or competitors, or under development by or being tested by Company Group; any inventions, innovations or improvements covered by Section 11 hereof; and private information concerning planned or pending acquisitions or divestitures. Notwithstanding the foregoing, the term Confidential Information shall not include information which (A) becomes available to Executive from a source other than Company Group or from third parties with whom Company Group is not bound by a duty of confidentiality, or (B) becomes generally available or known in the industry other than as a result of its disclosure by Executive.

(i) During the course of Executive's employment with Company, Executive agrees to use Executive's commercially reasonable best efforts to maintain the confidentiality of the Confidential Information, including adopting and implementing all reasonable procedures prescribed by Company Group to prevent unauthorized use of Confidential Information or disclosure of Confidential Information to any unauthorized person.

(ii) Executive agrees that all Confidential Information shall be Company Group's sole property during and after Executive's employment with Company. Executive agrees that Executive will not remove any hard copies of Confidential Information from Company Group's premises, will not download, upload, or otherwise transfer copies of Confidential Information to any external storage media or cloud storage (except as necessary in the performance of Executive's duties for Company Group and for Company Group's benefit), and will not print hard copies of any Confidential Information that Executive accesses electronically from a remote location (except as necessary in the performance of Executive's duties for Company Group and for Company Group's benefit).

(iii) Other than as contemplated in Section 8(a)(iv) below, in the event that Executive becomes legally obligated to disclose any Confidential Information to anyone other than to Company Group, Executive will provide Company with prompt written notice thereof so that Company may seek a protective order or other appropriate remedy and Executive will cooperate with and assist Company in securing such protective order or other remedy. In the event that such protective order is not obtained, or that Company waives compliance with the provisions of this Section 8(a)(iii) to permit a particular disclosure, Executive will furnish only that portion of the Confidential Information which Executive is legally required to disclose.

(iv) Nothing in this Agreement shall be construed to prohibit Executive from: filing a charge or participating in any investigation or proceeding conducted by any federal, state or local government agency charged with enforcement of any law; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation. Executive acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(b) Restrictions On Use And Disclosure Of Confidential Information At all times during Executive's employment with the Company and for two (2) years after Executive's employment with Company terminates, regardless of the reason for termination, Executive agrees: (i) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's benefit; (ii) not to make, or cause to be made, copies (in any form or format) of the Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's benefit; and (iii) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Confidential Information or disclosure of the Confidential Information to any unauthorized person about which Executive becomes aware. The restrictions contained in this Section 7(b) also apply to Confidential Information developed by Executive during Executive's employment with the Company, which are related to the Company Group or to the Company Group's successor or assigns, as such information is developed for the benefit of and ownership of the Company Group and all rights and privileges to such information or derivative works, including but not limited to trademarks, patents and copyrights remain with the Company Group.

(c) Third Party Information Executive acknowledges that during the course of Executive's employment with the Company, Executive may receive or have access to, confidential or proprietary information belonging to third parties ("Third Party Information"). During the Employment Term and thereafter, Executive agrees: (i) to hold the Third Party Information in the strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Third Party Information to any unauthorized person, and follow all of the Company's policies regarding protecting the Third Party Information; (ii) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Third Party Information, except as necessary in the performance of Executive's duties for Company Group; (iii) not to make, or cause to be made, copies (in any form or format) of the Third Party Information, except as necessary in the performance of Executive's duties for Company Group or as compelled by subpoena or other legal order or process; and (iv) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Third Party Information or disclosure of the Third Party Information to any unauthorized person about which Executive becomes aware.

(d) Return of Confidential Information and Property Upon termination of Executive's employment with the Company, notwithstanding the reason or cause of termination, and at any other time upon written request by the Company, Executive shall promptly return to the Company all originals, copies, or duplicates, in any form or format (whether paper, electronic or other storage media), of the Confidential Information and the Third Party Information, as well as any and all other documents, computer discs, computer data, equipment, and property of the Company Group (including, but not limited to, cell phones, credit cards, and laptop computers if they have been provided to Executive), relating in any way to the business of the Company Group or in any way obtained by Executive during and in the course of Executive's employment with the Company. Executive further agrees that after termination of Executive's employment with the Company, Executive shall not knowingly retain any copies, notes, or abstracts in any form or format (whether paper, electronic or other storage media) of the Confidential Information, the Third Party Information, or other documents or property belonging to the Company Group unless otherwise required by law or any applicable regulatory guidance.

9. Non-Competition; Non-Solicitation The Company recognizes the Executive's personal good will is crucial to the viability and increased profitability of the Company Group and as a result this provision is a material component in this Agreement.

(a) Non-Competition Executive acknowledges the highly competitive nature of Company Group's business and, in consideration of Executive's employment with the Company, access to the Confidential Information, the payment of the Base Salary, grant of equity-based compensation awards, eligibility for Severance Payments pursuant to Section 5(a), Separation Payments pursuant to Section 5(b), and the Change in Control benefits described in Section 7, and any other benefits by Company to Executive pursuant to the terms hereof (which Executive acknowledges is sufficient to justify the restrictions contained herein), Executive agrees that during the Employment Term and for eighteen (18) months from the date of termination of Executive's employment with Company for any reason, Executive will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than ten percent (10%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined). For purposes of this Agreement, the "Restricted Area" is the United States. For purposes of this Agreement, "Restricted Business" shall mean the multi-state operator business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products; provided, such business has a market capitalization of at least \$500,000,000.

(b) Non-Solicitation of Business Opportunities Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, Executive shall not, for Executive's own benefit or on behalf of any other person or entity (other than the Company Group), directly or indirectly through another person or entity: (i) divert existing business opportunities related to the Restricted Business to some person or entity engaged in the Restricted Business (other than for the Company Group); or (ii) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 9(b) is limited to existing and prospective business opportunities of the Company Group with whom Executive had material contact or business dealings during Executive's employment with the Company.

(c) Non-Solicitation of Employees, Consultants, and Independent Contractors Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive will not, directly or indirectly (in any capacity, on Executive's own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any individual who was an employee,

consultant, or independent contractor of the Company Group at the time of Executive's termination of employment with the Company to terminate their employment, to cease to be engaged by the Company Group, and/or to terminate or reduce their business relationship with the Company Group; or (ii) hire, employ, or offer to hire or employ any individual who was an employee, consultant, or independent contractor of the Company Group (other than for the Company Group) at the time of Executive's termination of employment with the Company; provided, however this subsection (ii) shall only apply for up to a maximum of six (6) months after such employee, consultant or independent contractor leaves the service of the Company Group and shall not apply to non-targeted solicitations or search inquiries, open notices or general media advertisements or to any employees who are classified as exempt under the U.S. Fair Labor Standards Act.

(d) Scope of Restrictive Covenants. Company and Executive recognize and agree that the Company Group conducts business operations and generates revenues from clients throughout the Restricted Area. Executive acknowledges that the Company Group would be greatly damaged if Executive took action that would violate the restrictive covenants of this Section 9 anywhere in the Restricted Area. Accordingly, Company and Executive agree that the restrictive covenant provisions contained in this Section 9 are applicable to the Restricted Area, and Executive shall be prohibited from violating the terms of this Section 9 from any location anywhere in the Restricted Area. The Parties acknowledge and agree that the scope of the restrictive covenants in this Section 9 shall not prevent Executive from engaging in the practice of law in the Restricted Business or otherwise.

(e) Reasonableness of Restrictive Covenants. Executive agrees and acknowledges that to assure the Company that the Company Group will retain the value of its operations, it is necessary that the Executive abide by the restrictions set forth in this Agreement. Executive further agrees and acknowledges that during the Employment Term, Executive will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. Executive further agrees that the promises made in this Agreement are reasonable and necessary for protection of the Company Group's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company Group conducts its business; the Company Group's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. Executive agrees that the restrictive covenants in this Agreement will not prevent Executive from earning a livelihood in Executive's chosen business, they do not impose an undue hardship on Executive, and that they will not injure the public.

10. Mutual Non-Disparagement. Executive agrees that at all times during and after the Employment Term, Executive will not engage in any conduct that is injurious to the reputation or interests of the Company Group, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Company Group, any of the shareholders, members, directors, officers, employees, investors, or agents of the Company Group, or the Company Group's operations, financial condition, prospects, products or services. The Company agrees that at all times during and after the Employment Term, the officers and directors of the Company Group will not engage in any conduct that is injurious to the reputation or interests of the Executive, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Executive or Executive's affiliates, partners or any of Executive's new business enterprises. However, nothing in this Agreement shall prohibit Executive or the Company from: exercising protected rights under Section 7 of the National Labor Relations Act; filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer any law, rule, or regulation; testifying truthfully in any forum or before any government agency responsible for enforcing any law, rule, or regulation; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation.

11. Intellectual Property.

(a) Work Product Owned By Company. Executive agrees that the Company or the applicable member of the Company Group (each individually the "Assigned Party") is and will be the sole and exclusive owner of all ideas, inventions, discoveries, improvements, designs, plans, methods, works of authorship, deliverables, writings, brochures, manuals, know-how, method of conducting its business, policies, procedures, products, processes, software, or any enhancements, or documentation of or to the same and any other work product in any form or media that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of Executive's employment for the Assigned Party and with the use of the Assigned Party's time, materials or facilities, and is in any way related or pertaining to or connected with the present or anticipated business, products or services of the Assigned Party whether produced during normal business hours or on personal time (collectively, "Work Products").

(b) Definition of Intellectual Property. "Intellectual Property" means any and all (i) copyrights and other rights associated with works of authorship, (ii) trade secrets and other confidential information, (iii) patents, patent disclosures and all rights in inventions (whether patentable or not), (iv) trademarks, trade names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (v) all other intellectual and industrial property rights of every kind and nature throughout the world and however designated, whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in effect.

(c) Assignment. Executive acknowledges Executive's work and services provided for the Assigned Party and all results and proceeds thereof, including, the Work Products, are works done under Company Group's direction and control and have been specially ordered or commissioned by the Company Group. To the extent the Work Products are copyrightable subject matter, they shall constitute "works made for hire" for the Company Group within the meaning of the Copyright Act of 1976, as amended, and shall be the exclusive property of the Assigned Party. Should any Work Product be held by a court of competent jurisdiction to not be a "work made for hire," and for any other rights, Executive hereby assigns and transfers to Assigned Party, to the fullest extent permitted by applicable law, all right, title, and interest in and to the Work Products, including but not limited to all Intellectual Property pertaining thereto, and in and to all works based upon, derived from, or incorporating such Work Products, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement. Executive hereby waives and further agrees not to assert Executive's rights known in various jurisdictions as moral rights and grants the Company Group the right to make changes, as the Company Group deems necessary, in the Work Products.

(d) License of Intellectual Property Not Assigned. Notwithstanding the above, should Executive be deemed to own or have any Intellectual Property that is used, embodied, or reflected in the Work Products, Executive hereby grants to the Company Group, its successors and assigns, the non-exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicenses, to use, reproduce, publish, create derivative works of, market, advertise, distribute, sell, publicly perform and publicly display and otherwise exploit by all means now known or later developed the Work Products and Intellectual Property.

(e) Maintenance; Disclosure; Execution; Attorney-In-Fact. Executive will, at the request and cost of the Assigned Party, sign, execute, make and do all such deeds, documents, acts and things as the Assigned Party and their duly authorized agents may reasonably require to apply for, obtain and vest in the name of the Assigned Party alone (unless the Assigned Party otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same. In the event the Assigned Party is unable, after reasonable effort, to secure Executive's signature on any letters patent, copyright or other analogous protection relating to a Work Product, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Assigned Party and its duly authorized officers and agents as Executive's agent and attorney-in-fact (which designation and appointment shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive Executive's death or incapacity), to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Executive.

(f) Executive's Representations Regarding Work Products. Executive represents and warrants that all Work Products that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of performing Executive's duties for Assigned Party under this Agreement are (i) original or an improvement of the Assigned Party's prior Work Products and (ii) do not include, copy, use, or infringe any Intellectual Property rights of a third party.

(g) Transfer of State Licenses. For the avoidance of doubt, following the Employment Term, Executive will cooperate diligently with the members of the Company Group to transfer any and all state licenses related to the conduct of the Company Group's business that were obtained in Executive's name into the name of such member of the Company Group as requested by the Board and the Company Group shall work diligently to effectuate the transfer of such state licenses in a timely manner following the Employment Term.

12. Cooperation. During the Employment Term and thereafter, Executive will cooperate with all reasonable requests by the Company Group for assistance in connection with any investigations or legal proceedings involving the Company Group, including by providing truthful testimony in person in any such legal proceedings without having to be subpoenaed; provided, however, that the foregoing shall not apply to any investigation or legal proceeding involving disputes between Executive and the Company Group arising under this Agreement or any other agreement. In no event shall Executive's cooperation materially interfere with his services for a subsequent employer or other similar service recipient. The Company agrees that (i) it shall promptly reimburse the Executive for his reasonable and documented expenses in connection with his rendering assistance and/or cooperation under this Section 12 upon his presentation of documentation for such expenses and (ii) the Executive shall be reasonably compensated for any continued material services as required under this Section 12.

13. Severability; Independent Covenants. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain enforceable and the invalid, illegal or unenforceable provisions shall be modified so as to be valid and enforceable and shall be enforced as modified; provided, that no severance shall be effective if it materially changes the economic benefit of this Agreement to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate, in good faith, a legal, valid and enforceable substitute provision which most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid, illegal or unenforceable provision. If, moreover, any part of this Agreement is for any reason held too excessively broad as to time, duration, geographic scope, activity, or subject, it is the intent of the parties that this Agreement shall be judicially modified by limiting or reducing it so as to be enforceable to the extent compatible with the applicable law. Except as otherwise provided in this Agreement, the existence of any claim or cause of action of Executive against the Company Group (or against any member, shareholder, director, officer, or employee thereof), whether arising out of the Agreement or otherwise, shall not constitute a defense to: (i) the enforcement by the Company Group of any of the restrictive covenants contemplated by this Agreement; or (ii) the Company Group's entitlement to remedies hereunder. Executive's obligations under this Agreement are independent of any of the Company Group's obligations to the Executive.

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14. Remedies for Breach. Executive acknowledges and agrees that it would be difficult to measure the damages to the Company Group from any breach or threatened breach by Executive of this Agreement, including but not limited to Sections 8, 9, 10 or 11 hereof; that injury to the Company Group from any such breach would be irreparable; and that money damages would therefore be an inadequate remedy for any such breach. Accordingly, Executive agrees that if Executive breaches or threatens to breach any of the promises contained in this Agreement, the Company Group shall, in addition to all other remedies it may have (including monetary remedies), be entitled to seek an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage to the Company Group. Nothing herein shall be construed as a waiver of any right the Company Group may have or hereafter acquire to pursue any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

15. Attorneys' Fees and Costs. In any action brought to enforce or otherwise interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party to the action or proceeding, including through settlement, judgment and/or appeal.

16. Assignment; Third-Party Beneficiaries. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to (i) any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly, acquires all or substantially all of the Company's stock or assets, or (ii) any affiliate or future affiliate of the Company, and such assignment by Company pursuant to this Section 16 shall automatically, and without any further action required by the Parties, relieve the assignor Company (and discharge and release the assignor Company) from all obligations and liabilities under or related to this Agreement (all such obligations and/or automatically liabilities assumed by the assignee Company). This Agreement shall be binding upon and inure to the benefit of any successor or assigns of Company. Executive may not assign this Agreement without the written consent of the Company. Executive agrees that each member of the Company Group is an express third-party beneficiary of this Agreement, and this Agreement, including the restrictive covenants and other obligations set forth in Sections 8, 9, 10 and 12 hereof, are for each such member's benefit. Executive expressly agrees and consents to the enforcement of this Agreement, including but not limited to the restrictive covenants and other obligations in Sections 8, 9, 10 and 12 hereof, by any member of the Company Group as well as by the Company Group's future affiliates, successors and/or assigns.

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17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Florida.

18. Jurisdiction; Venue. The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of any Party for receipt of notices hereunder as provided in Section 25 hereof shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. The Parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction a Party is or may be subject, by suit upon such judgment.

19. Mutual Waiver of Jury Trial. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND A

TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM, RIGHT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING BUT NOT LIMITED TO THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF ANY STATE, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATION. EACH PARTY HEREBY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING THE RIGHT TO DEMAND TRIAL BY JURY.

20. Waiver. No waiver of any breach or other rights under this Agreement shall be deemed a waiver unless the acknowledgment of the waiver is in writing executed by the Party committing the waiver. No waiver shall be deemed to be a waiver of any subsequent breach or rights. All rights are cumulative under this Agreement. The failure or delay of the Company at any time or times to require performance of, or to exercise any of its powers, rights or remedies with respect to any term or provision of this Agreement or any other aspect of Executive's conduct or employment in no manner (except as otherwise expressly provided herein) shall affect the Company's right at a later time to enforce any such term or provision.

21. Survival. Executive's post-termination obligations and the Company Group's post-termination rights under Sections 8 through 19 of this Agreement and the obligations of the Company Group under Sections 3(f) and (g) and Sections 5 through 7 shall survive the termination of this Agreement and the termination of Executive's employment with the Company regardless of the reason for termination; shall continue in full force and effect in accordance with their terms; and shall continue to be binding on the parties.

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22. Independent Advice. Executive acknowledges that the Company has provided Executive with a reasonable opportunity to obtain independent legal advice with respect to this Agreement and, particularly, to understand and acknowledge the restrictions being placed on Executive pursuant to Sections 8-15 of this Agreement, and that Executive has had such independent legal advice prior to executing this Agreement.

23. Entire Agreement. This Agreement constitutes the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated.

24. Amendment. This Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the Party or Parties against whom enforcement of such amendment, supplement, or modification is sought.

25. Notices. Any notice, request or other document required or permitted to be given under this Agreement shall be in writing and shall be deemed given: (a) upon delivery, if delivered by hand; (b) three business (3) days after the date of deposit in the mail, postage prepaid, if mailed by certified U.S. mail; or (c) on the next business day, if sent by prepaid overnight courier service. If not personally delivered by hand, notice shall be sent using the addresses set forth below or to such other address as either party may designate by written notice to the other:

If to the Executive: at the Executive's most recent address on the records of the Company.

with copies (which shall not constitute notice) to:

Greenberg Traurig, P.A.
333 S.E. 2nd Avenue
Miami, FL 33131
Attn: Leanne M. Reagan, Esq.

If to the Company, to:

JGMT, LLC
1800 NW Corporate Blvd., Suite 200
Boca Raton, FL 33431
Attn: Tobi Lebowitz, Esq.

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26. Code Section 409A Compliance. It is intended that the provisions of this Agreement are either exempt from or comply with the terms and conditions of Code Section 409A, and to the extent that the requirements of Code Section 409A are applicable thereto, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of the Executive's employment shall be made unless and until the Executive incurs a "separation from service" within the meaning of Section 409A. Executive shall have no duties following the termination of Executive's employment with the Company that are inconsistent with Executive having had a "separation from service" within the meaning of Section 409A. If the Executive is a "specified employee" (as determined in accordance with Section 409A), then no payment or benefit that is payable on account of the Executive's "separation from service", as that term is defined for purposes of Section 409A, shall be made before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of the Executive's death) if and to the extent that such payment or benefit constitutes deferred compensation under Section 409A and such deferral is required to comply with the requirements of Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Section does not constitute a "deferral of compensation" within the meaning of Code Section 409A and the regulations and other guidance thereunder: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit and (iv) payment of any tax reimbursements or gross-ups under this Agreement must be made by no later than the end of the taxable year of the Executive following the taxable year of the Executive in which the Executive remits the related taxes.

27. Excess Parachute Excise Tax.

(a) If any payment or other benefit (including any acceleration of vesting) Executive would receive in connection with any transaction constituting a 280G Change in Control (which for purposes of this Section 27 shall mean a change in ownership or control as determined in accordance with the regulations promulgated under Section 280G of the Code) (the "Benefit") would (i) constitute a "parachute payment" within the meaning of Code Section 280G, and (ii) but for this sentence, be subject to the

excise tax under Section 4999 (the "Excise Tax"), then the Company shall make a payment to the Executive (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains (or has had paid to the Internal Revenue Service (the "IRS") on his behalf) an amount of the Gross-Up Payment equal to the sum of (x) the Excise Tax imposed upon the Benefit and (y) the product of any deductions disallowed because of the inclusion of the Gross-Up Payment in the Executive's adjusted gross income and the highest applicable marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is to be made. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to (x) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Gross-Up Payment is to be made, and (y) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(b) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the 280G Change in Control shall perform any calculations necessary in connection with this Section 27. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity, or group effecting the 280G Change in Control, the Company shall appoint another qualified accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(c) The accounting firm engaged to make the determinations under this Section 27 shall provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a Benefit is triggered (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company. Any Gross-Up Payment, as determined pursuant to this Section 27, shall be paid by the Company to the Executive within five (5) calendar days of the receipt of the accounting firm's determination. If the accounting firm determines that no Excise Tax is payable with respect to a Benefit, it shall furnish Executive and the Company with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Benefit. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon Executive and the Company, except as set forth below.

(d) In light of the uncertainty in applying Sections 280G and 4999 of the Code, if it is subsequently determined that the Gross-up Payment is not sufficient to put the Executive in the same after-tax position (taking into account any and all applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax and such taxes imposed on the Gross-up Payment)) that the Executive would have been in if the Executive had not incurred the Excise Tax, then the Company shall promptly pay to or for the benefit of the Executive such additional amounts necessary to put the Executive in the same after-tax position that the Executive would have been in if the Excise Tax had not been imposed. In the event that a written ruling of the IRS is obtained by or on behalf of the Company or the Executive, which provides that the Executive is not required to pay, or is entitled to a refund with respect to, all or a portion of the Excise Tax, then the Executive shall reimburse the Company in an amount equal to the Gross-up Payment, less any amounts which remain payable by or are not refunded to the Executive, within thirty (30) days of the date of the IRS determination or the date the Executive receives the refund, as applicable. The Executive and the Company shall reasonably cooperate with each other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for the Excise Tax; provided that, if the Company decides to contest a claim by the IRS relating to the Excise Tax, then the Company shall bear and pay directly or indirectly all costs and expenses (including any additional interest and penalties and any legal and accounting fees and expenses) incurred in connection with such action and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of the Company's action.

28. Counterparts; Electronic Transmission; Headings. This Agreement may be executed in counterparts, each of which shall be deemed an original, including an electronic copy or facsimile, but both of which taken together shall constitute one and the same instrument. The headings used herein are for ease of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

JGMT, LLC

By: /s/ Jon Barack

Print Name: Jon Barack

Title: President

PARENT:

Jushi Holdings Inc.

By: /s/ Jon Barack

Print Name: Jon Barack

Title: President

EXECUTIVE:

/s/ James Cacioppo

James Cacioppo

Address:

3140 Polo Drive

Gulf Stream, Florida 33483

EXHIBIT A
OUTSIDE ACTIVITIES

1. Activities (including board positions) related to One East Capital Advisors L.P., its affiliated funds (collectively “One East”) and any new or derivative funds based upon One East’s historical activities.
2. Activities (including board positions) related to ST2, LLC or any other real estate development activities in similar entities.
3. Activities (including board positions) related to Florida Peninsula Insurance Company or its affiliates.

EXHIBIT B
LTI AWARD VESTING SCHEDULE

2021 LTI Award

Cumulative Vesting of 2021 LTI Award	Vesting Date
33 1/3%	Grant Date
66 2/3%	January 1, 2023
100%	January 1, 2024

2022 LTI Award

Cumulative Vesting of 2022 LTI Award	Vesting Date
33 1/3%	January 1, 2023
66 2/3%	January 1, 2024
100%	January 1, 2025

2023 LTI Award

Cumulative Vesting of 2023 LTI Award	Vesting Date
50%	January 1, 2024
100%	January 1, 2025

2024 LTI Award

Cumulative Vesting of 2024 LTI Award	Vesting Date
50%	January 1, 2025
100%	January 1, 2026

2025 LTI Award

Cumulative Vesting of 2025 LTI Award	Vesting Date
100%	January 1, 2026

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Subsidiaries

The following are our majority-owned subsidiaries as of June 20, 2022:

NAME	State or Country of Incorporation	Ownership Percentage
Jushi Inc	Delaware	100%
Agape Total Health Care Inc.	Pennsylvania	100%
Bear Flag Assets, LLC	California	100%
GSG SBCA, Inc	California	100%
Beyond Hello IL Holdings, LLC	Illinois	100%
Beyond Hello IL, LLC	Illinois	100%
Beyond Hello CA, LLC	California	100%
Franklin Bioscience - Penn LLC	Pennsylvania	100%
Franklin Bioscience - NE LLC	Pennsylvania	100%
Franklin Bioscience - SE LLC	Pennsylvania	100%
Franklin Bioscience - SW LLC	Pennsylvania	100%
JMGT, LLC	Florida	100%
JREH, LLC	Delaware	100%
JREHCA, LLC	California	100%
JREHNV, LLC	Nevada	100%
JREHPA, LLC	Pennsylvania	100%
JREHIL, LLC	Illinois	100%
JREHVA, LLC	Virginia	100%
JREHOH, LLC	Ohio	100%
Jushi GB Holdings, LLC	California	100%
Milkman, LLC	California	~78%
Jushi IP, LLC	Delaware	100%
Jushi MA, Inc.	Massachusetts	100%
Valiant Enterprises, LLC	Massachusetts	100%
Jushi OH, LLC	Ohio	100%
OhGrow, LLC	Ohio	100%
Franklin Bioscience OH, LLC	Ohio	100%
Campbell Hill Ventures, LLC	Ohio	100%
Jushi PS Holdings, LLC	California	100%
Organic Solutions of the Desert LLC	California	100%
Jushi VA, LLC	Virginia	100%
Dalitso, LLC	Virginia	100%
Mojave Suncup Holdings, LLC	Nevada	100%

CONFIDENTIAL TREATMENT REQUESTED BY JUSHI HOLDINGS INC. PURSUANT TO 17 C.F.R. SECTION 200.83

Production Excellence, LLC	Nevada	100%
Franklin Bioscience NV LLC	Nevada	100%
SF-D, INC	Nevada	100%
Jushi NV CLV, Inc.	Nevada	100%
Nuleaf CLV Dispensary, LLC	Nevada	100%
Jushi NV, Inc.	Nevada	100%
Nuleaf Reno Production, LLC	Nevada	100%
Nuleaf Sparks Cultivation, LLC	Nevada	100%
Nuleaf Clark Dispensary, LLC	Nevada	100%
Nuleaf Incline Dispensary, LLC	Nevada	100%
Eagle Eye Enlightenment, Inc.	Delaware	100%
Northeast Venture Holdings, LLC	Pennsylvania	100%
Pennsylvania Dispensary Solutions, LLC	Pennsylvania	100%
PASPV Holdings, LLC	Pennsylvania	100%
Pennsylvania Medical Solutions LLC	Pennsylvania	100%
Sound Wellness Holdings, Inc.	Delaware	100%
Jushi Europe SA	Switzerland	51%
JPTREH LDA (Portugal)	Portugal	100%

Certain subsidiaries have been omitted since, in the aggregate, they do not represent a significant subsidiary.