

CRESCO LABS FINCO LTD.

- and –

CRESCO LABS, LLC

- and -

CANACCORD GENUITY CORP.

- and -

GMP SECURITIES L.P.

- and -

ODYSSEY TRUST COMPANY

Providing for the Issuance of Subscription Receipts

Dated as of November 26, 2018

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SUBSCRIPTION RECEIPT AGREEMENT

THIS SUBSCRIPTION RECEIPT AGREEMENT made as of the 26th day of November, 2018.

BETWEEN:

CRESCO LABS FINCO LTD.

(hereinafter referred to as the "**Corporation**")

- and -

CRESCO LABS, LLC.

(hereinafter referred to as "**Cresco**")

- and -

CANACCORD GENUITY CORP. and GMP SECURITIES L.P.

(hereinafter referred to as the "**Joint Bookrunners**")

- and -

ODYSSEY TRUST COMPANY

(hereinafter referred to as the "**Subscription Receipt Agent**")

WHEREAS the Corporation is proposing to create, issue and sell Subscription Receipts (as defined herein), representing the right to receive Underlying Shares (as defined herein), on the terms and conditions described herein;

AND WHEREAS the Corporation is duly authorized to create, issue and sell the Subscription Receipts as herein provided;

AND WHEREAS the Corporation and the Joint Bookrunners have agreed that:

- (a) pending the release in accordance with the terms and conditions hereof, the Escrowed Subscription Funds (as defined herein) are to be delivered to and held in escrow by the Subscription Receipt Agent and invested on behalf of the Receiptholders (as defined herein), the Agents (as defined herein) and the Corporation in the manner set forth herein;
- (b) at the Escrow Release Time (as defined herein), provided that such time occurs on or before the Escrow Release Deadline (as defined herein), each Receiptholder shall automatically receive, without any further action required by such Receiptholder and without payment of any additional consideration, one (1) Underlying Share, which Underlying Share is to be immediately exchanged for one (1) Resulting Issuer Share

pursuant to the Amalgamation Agreement, for each Subscription Receipt held by the Receiptholder; and

- (c) if a Termination (as defined herein) occurs, this Agreement (as defined herein) and all issued and outstanding Subscription Receipts, shall be automatically terminated and cancelled and each Receiptholder shall, at the Termination Payment Time (as defined herein), be entitled to receive out of the Escrowed Proceeds or, if the Escrowed Proceeds are insufficient, from the Corporation, an amount equal to the aggregate Subscription Price (as defined herein) in respect of such holder's Subscription Receipts together with such holder's *pro rata* share of Earned Interest (as defined herein), less applicable withholding taxes, if any;

AND WHEREAS all things necessary have been done and performed by the Corporation to make the Subscription Receipts, when Certified (as defined herein) by the Subscription Receipt Agent and issued as provided in this Agreement, legal, valid and binding obligations of the Corporation with the benefits and subject to the terms of this Agreement;

AND WHEREAS the Subscription Receipt Agent has agreed to act as agent on behalf of the holders of Subscription Receipts on the terms and conditions set forth in this Agreement;

AND WHEREAS the foregoing recitals are representations and statements of fact made by the Corporation and not by the Subscription Receipt Agent.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed and declared as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the recitals, unless there is something in the subject matter or context inconsistent therewith or unless otherwise expressly provided, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) "**Agency Agreement**" means the agency agreement entered into on the date hereof among the Agents, the Corporation, Cresco, Cresco U.S Corp. and Pubco in respect of the Offering;
- (b) "**Agents**" means Canaccord Genuity Corp., GMP Securities L.P., Cormark Securities Inc., and Beacon Securities Ltd.;
- (c) "**Agents' Expenses**" means the Agents' expenses in connection with the Offering accrued at that time (including legal fees, disbursements and applicable taxes);
- (d) "**Agreement**" means this subscription receipt agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;

- (e) **"Amalgamation Agreement"** means the amalgamation agreement to be entered into among Pubco, a wholly-owned subsidiary of Pubco, and the Corporation pursuant to the terms of the Business Combination Agreement;
- (f) **"Ancillary Agreements"** means the ancillary agreements regarding the Proposed Transaction to be entered into by the Corporation and Pubco (and certain affiliates thereof) in accordance with the terms of the Business Combination Agreement;
- (g) **"Applicable Securities Laws"** means, collectively, the applicable securities laws of each of the Offering Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the applicable securities commissions or other securities regulatory authorities in each of the Offering Jurisdictions;
- (h) **"Book-Entry System"** means the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time;
- (i) **"Business Combination Agreement"** means the binding letter agreement dated October 9, 2018, as may be amended, supplemented or superseded from time to time, among Pubco, and Cresco.
- (j) **"Business Day"** means any day which is not Saturday, Sunday or a statutory holiday in Toronto, Ontario or Vancouver, British Columbia, or any other day on which businesses of the Subscription Receipt Agent and Canadian chartered banks are generally closed;
- (k) **"Capital Reorganization"** has the meaning given to that term in Section 5.2(b);
- (l) **"CDS"** means CDS Clearing and Depository Services Inc. and its successors in interest;
- (m) **"CDS Participant"** means a participant in the Book-Entry System;
- (n) **"Certify"** means: (i) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Corporation and certified by manual signature of an authorized officer of the Subscription Receipt Agent; and (ii) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all of its internal procedures such that the particulars of such Uncertificated Subscription Receipt are entered in the register of Subscription Receipts, and **"Certified"** and **"Certification"** have the appropriate correlative meanings, and internal procedures means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent's internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent;
- (o) **"Closing Date"** means the closing of the Offering, being November 26, 2018 or such other date as may be agreed upon by the Corporation and the Agents;
- (p) **"Common Share Reorganization"** has the meaning given to that term in Section 5.2(a)(ii);

- (q) "**Common Shares**" means the common shares in the capital of the Corporation;
- (r) "**Corporation**" has the meaning attributed to that term on page one of this Agreement;
- (s) "**Cresco**" has the meaning attributed to that term on page one of this Agreement;
- (t) "**CSE**" means the Canadian Securities Exchange;
- (u) "**Depository**" means CDS or such other person as is designated in writing by the Corporation to act as depository in respect of the Subscription Receipts;
- (v) "**Designated Office**" means the stock transfer offices of the Subscription Receipt Agent from time to time in Calgary, Alberta;
- (w) "**Directors**" means the directors of the Corporation;
- (x) "**dividends**" means the dividends (payable in cash or securities, property or assets of equivalent value) declared payable on the Common Shares;
- (y) "**Earned Interest**" means the interest or other income earned or deemed to be earned, if any, on the investment of the Escrowed Subscription Funds (or the reinvestment of such interest or other income) from the date hereof to, but not including, the date on which the Escrowed Proceeds are released in accordance with Article 3, less any amount of the interest earned on the Escrowed Proceeds that the Subscription Receipt Agent is entitled to retain pursuant to Section 6.1(a);
- (z) "**Escrow Account**" has the meaning attributed thereto in Section 2.2(a);
- (aa) "**Escrow Release Conditions**" means, the satisfaction of the following collectively:
 - (i) the Amalgamation Agreement and the Ancillary Agreements shall have been entered into in accordance with the terms of the Business Combination Agreement;
 - (ii) the completion or satisfaction by the Corporation and Pubco of all conditions precedent to the Proposed Transaction in accordance with the terms of the Business Combination Agreement and the Ancillary Agreements, without amendment or waiver, unless such amendment or waiver is acceptable to the Joint Bookrunners, acting reasonably;
 - (iii) the approval of the CSE of the listing of the Resulting Issuer Shares;
 - (iv) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Proposed Transaction;
 - (v) the receipt by the Joint Bookrunners of the opinions set out in Sections 7(g) through 7(k) (inclusive) of the Agency Agreement;
 - (vi) the Corporation shall not be in breach or default of any of its covenants and obligations under this Agreement or the Agency Agreement, except for, in the case of the Agency Agreement only, breaches or defaults that have been waived by the Joint Bookrunners and all conditions set out in the Agency Agreement

have been fulfilled, which shall be confirmed to be true in a certificate of a senior officer of the Corporation; and

- (vii) the Corporation and the Joint Bookrunners (on their own behalf and on behalf of the other Agents) having delivered the Escrow Release Notice to the Subscription Receipt Agent confirming that the conditions set forth in (i) through (vi) above have been met or waived.
- (bb) "**Escrow Release Date**" means the date on which the Escrow Release Conditions have been satisfied and the Underlying Shares have been issued to the Receiptholders and the Escrowed Proceeds have been released to the Corporation and the Agents, as applicable, all in accordance with the terms of this Agreement;
- (cc) "**Escrow Release Deadline**" means on or prior to 5:00 p.m. (Toronto time) on March 26, 2019, being the date that is 120 days from the Closing Date, unless extended in accordance with the terms of this Agreement;
- (dd) "**Escrow Release Notice**" has the meaning attributed thereto in Section 3.1(b);
- (ee) "**Escrow Release Time**" means 5:00 p.m. (Toronto time) on the Escrow Release Date;
- (ff) "**Escrowed Agents' Commission**" means the portion of the Agent's cash commission related to the Offering pursuant to the Agency Agreement that is not paid to the Agents on the Closing Date in accordance with the terms of the Agency Agreement, being the aggregate amount of \$2,965,893.38;
- (gg) "**Escrowed Proceeds**" means, collectively, the Escrowed Subscription Funds and the Earned Interest;
- (hh) "**Escrowed Subscription Funds**" means an amount equal to the aggregate Subscription Price for the Subscription Receipts received on the Closing Date, less the Non-Escrowed Proceeds;
- (ii) "**Exchange Act**" means United States *Securities Exchange Act of 1934*;
- (jj) "**Foreign Subscribers**" means U.S. Persons;
- (kk) "**Indemnified Parties**" has the meaning attributed thereto in Section 11.6(g);
- (ll) "**Investments**" has the meaning given to that term in Section 6.1(b);
- (mm) "**Non-Brokered Private Placement**" means the offering on a non-brokered private placement basis of Subscription Receipts at the Subscription Price to certain Foreign Subscribers;
- (nn) "**Non-Escrowed Proceeds**" means: (i) 50% of the Agents' cash commission in respect of the Offering payable in accordance with the terms of the Agency Agreement; and (ii) the Agents' Expenses payable on closing of the Offering in accordance with the Agency Agreement;

- (oo) "**Offering**" means the issue and sale of 11,500,000 Subscription Receipts by the Corporation at the Subscription Price pursuant to the Agency Agreement for aggregate gross proceeds of up to US\$75,000,000;
- (pp) "**Offering Jurisdictions**" means each of the provinces and territories of Canada and such other jurisdictions outside of Canada where the Offering can lawfully be made;
- (qq) "**person**" includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;
- (rr) "**Proposed Transaction**" means the reverse take-over transaction including the Corporation, Pubco and Cresco, among other parties, pursuant to the terms of the Business Combination Agreement;
- (ss) "**Pubco**" means Randsburg International Gold Corp., a corporation incorporated pursuant to the laws of the Province of British Columbia;
- (tt) "**Receiptholders**" or "**holders**" means persons who appear on the register of Subscription Receipts maintained pursuant to Section 2.5;
- (uu) "**Receiptholders' Request**" means an instrument signed in one or more counterparts by Receiptholders holding not less than 25% of the aggregate number of all Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- (vv) "**Resulting Issuer**" means Pubco, as it exists as of the completion of the Proposed Transaction, which as part of the Proposed Transaction, shall have amended its articles to change its name to Cresco Labs Inc.;
- (ww) "**Resulting Issuer Shares**" means the subordinate voting shares in the capital of the Resulting Issuer;
- (xx) "**Shareholders**" means the registered holders from time to time of Common Shares in the capital of the Corporation;
- (yy) "**Shortfall**" has the meaning attributed to that term in Section 3.5(c);
- (zz) "**Subscription Agreements**" means the subscription agreements executed by the Corporation, Cresco and each of the Receiptholders for the Subscription Receipts;
- (aaa) "**Subscription Price**" means \$8.50 per Subscription Receipt;
- (bbb) "**Subscription Receipt Agent**" has the meaning attributed to that term on page one of this Agreement;
- (ccc) "**Subscription Receipt Certificate**" means a certificate evidencing one or more Subscription Receipts substantially in the form attached as Schedule "A" hereto, with such appropriate insertions, deletions, substitutions and variations as may be required or

permitted by the terms of this Agreement or as may be required to comply with any law or the rules of any stock exchange;

- (ddd) **"Subscription Receipts"** means the subscription receipts of the Corporation issued and Certified hereunder and from time to time outstanding, each such Subscription Receipt evidencing the right to one (1) Underlying Share as provided herein;
- (eee) **"Subsidiary of the Corporation"** means a corporation, commercial trust, partnership or other entity of which a majority of the outstanding voting shares are owned, directly or indirectly, by the Corporation or by one or more Subsidiaries of the Corporation and, as used in this definition, "voting shares" means shares of any class of any corporation or securities which represent a beneficial interest in a commercial trust, partnership or other entity ordinarily entitled to vote for the election of the majority of the directors of an entity irrespective of whether or not shares of any class or securities shall have or might have the right to vote for directors;
- (fff) **"Termination"** means the earliest to occur of any of the following events: (i) the Corporation or Cresco advises the Agents, or the public announcement by the Corporation or Cresco, that it does not intend to satisfy the Escrow Release Conditions; (ii) the Escrow Release Time failing to occur at or before the Escrow Release Deadline; or (iii) the termination of the Proposed Transaction or the Business Combination Agreement in accordance with its terms;
- (ggg) **"Termination Date"** means the date on which a Termination occurs;
- (hhh) **"Termination Notice"** has the meaning attributed to that term in Section 3.5(a).
- (iii) **"Termination Payment Time"** means as soon as practically possible following the Termination Date, and in any event within three (3) Business Days following the Termination Date;
- (jjj) **"Uncertificated Subscription Receipts"** means any Subscription Receipt that is not represented by a Subscription Receipt Certificate;
- (kkk) **"Underlying Shares"** means the Common Shares issuable to holders of Subscription Receipts upon conversion of the Subscription Receipts without payment of additional consideration or further action at the Escrow Release Time, provided that the Escrow Release Time occurs at or before the Escrow Release Deadline;
- (lll) **"United States"** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (mmm) **"U.S. Person"** means a **"U.S. person"** as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (nnn) **"U.S. Purchaser"** means an original purchaser of Subscription Receipts who was, at the time of purchase: (i) a U.S. Person or a person purchasing the Subscription Receipts in the United States; (ii) a person purchasing Subscription Receipts on behalf of, or for the account or benefit of, any U.S. Person or person in the United States; (iii) a person that received an offer to purchase the Subscription Receipts while in the United States; or (iv)

any person that was in the United States at the time such person's buy order was made or the subscription for the Subscription Receipts was executed or delivered;

- (ooo) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (ppp) **"U.S. Receiptholder"** means any Receiptholder that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person; and
- (qqq) **"written direction of the Corporation"**, **"written request of the Corporation"** and **"certificate of the Corporation"** and any other document required to be signed by the Corporation, means, respectively, a written direction, request, certificate or other document signed in the name of the Corporation by any officer or Director and may consist of one or more instruments so executed.

1.2 Headings

The headings, the table of contents and the division of this Agreement into Articles, and Sections are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.3 References

Unless otherwise specified in this Agreement:

- (a) references to Articles, Sections, and Schedules are to Articles, Sections, and Schedules in this Agreement; and
- (b) **"hereto"**, **"herein"**, **"hereby"**, **"hereunder"**, **"hereof"** and similar expressions, without reference to a particular provision, refer to this Agreement.

1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

- (a) the singular includes the plural and vice versa; and
- (b) references to any gender shall include references to all genders.

1.5 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 at or before the requisite time on the next succeeding day that is a Business Day with the same force and effect as if taken within the period for the taking of such action.

1.6 Applicable Law

This Agreement and the Subscription Receipts shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.7 Conflict

In the event of a conflict or inconsistency between a provision in the body of this Agreement and in any Subscription Receipt Certificate issued hereunder, the provision in the body of this Agreement shall prevail to the extent of the inconsistency.

1.8 Currency

All dollar amounts expressed in this Agreement and in the Subscription Receipts are in lawful money of the Canada and all payments required to be made hereunder and thereunder shall be made in Canadian dollars.

1.9 Severability

Each of the provisions in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any of the other provisions hereof.

1.10 Schedules

The following Schedules attached to this Agreement form an integral part of this Agreement:

- (a) Schedule "A" - Form of Subscription Receipt Certificate
- (b) Schedule "B" - Form of Escrow Release Notice
- (c) Schedule "C" - Form of Declaration of Removal of Legend

1.11 Meaning of "outstanding" for Certain Purposes

Subject to the terms of this Agreement, every Subscription Receipt Certificate countersigned as Certified and delivered by the Subscription Receipt Agent hereunder shall be deemed to be outstanding until it has been surrendered to the Subscription Receipt Agent pursuant to this Agreement, provided however that:

- (a) where a Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate that has been lost, stolen or destroyed, only the Subscription Receipt Certificate so issued in substitution shall be counted for the purpose of determining the Subscription Receipts outstanding; and
- (b) for the purpose of any provision of this Agreement entitling holders of outstanding Subscription Receipts to vote, sign consents, requests or other instruments or take any other action under this Agreement, Subscription Receipts owned legally or equitably by the Corporation or any affiliated entity thereof (including any Subsidiary of the Corporation or any partnership to which the Corporation may be directly or indirectly a party to) shall be disregarded, except that:
 - (i) for the purpose of determining whether the Subscription Receipt Agent shall be protected in relying on any vote, consent, request or other instrument or other action, only the Subscription Receipts of which the Subscription Receipt Agent has notice that they are so owned shall be disregarded; and

- (ii) Subscription Receipts so owned that have been pledged in good faith other than to the Corporation or any affiliated entity thereof (including any Subsidiary of the Corporation or any partnership to which the Corporation may be directly or indirectly a party to) shall not be so disregarded if the pledgee establishes to the satisfaction of the Subscription Receipt Agent, by providing the Subscription Receipt Agent with a legal opinion of counsel, the pledgee's right to vote the Subscription Receipts in the pledgee's discretion free from the control of the Corporation or any affiliated entity thereof (including any Subsidiary of the Corporation or any partnership to which the Corporation may be directly or indirectly a party to) pursuant to the terms of the pledge.

ARTICLE 2

ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Issue of Subscription Receipts

- (a) An aggregate maximum of 12,624,054 Subscription Receipts are hereby created and authorized to be issued by the Corporation for a price per Subscription Receipt equal to the Subscription Price.
- (b) An aggregate of 12,624,054 Subscription Receipts are hereby issued, and either (i) one or more Subscription Receipt Certificates dated the date hereof shall be executed by or on behalf of the Corporation, certified by or on behalf of the Subscription Receipt Agent upon written direction of the Corporation and delivered to the Joint Bookrunners or the Receiptholders, as applicable, in accordance with this Agreement; or (ii) Uncertificated Subscription Receipts shall be issued and deposited with the Depository on the date hereof and may be evidenced by a position appearing on the register for Subscription Receipts of the Subscription Receipt Agent for an amount representing the aggregate number of such Uncertificated Subscription Receipts issued.
- (c) Each Subscription Receipt Certificate or Uncertificated Subscription Receipt, shall bear 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) NOVEMBER 26, 2018, AND (ii) THE DATE THE
ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR
TERRITORY."
- (d) The Subscription Receipts and the Underlying Shares issuable upon conversion of the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under any applicable state securities laws. Subscription Receipts issued to U.S. Purchasers in the Non-Brokered Private Placement who are "accredited investors" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act will be issued in a certificated form, and Subscription Receipts issued to other U.S. Purchasers who are "accredited investors" as defined under the U.S. Securities Act and who are not otherwise "qualified institutional buyers" as defined in Rule 144A(a)(1) under the U.S. Securities Act may be issued in individually registered physically certificated form, or certificated or uncertificated form through the Depository, as directed by the Corporation, and each Subscription Receipt Certificate issued to such U.S. Purchasers, and each Subscription

Receipt Certificate issued in exchange therefor or in substitution thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

"THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY [for Subscription Receipts, add: AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY [for Subscription Receipts, add: AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF] MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, OR (B) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A "U.S. PERSON" (AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS. [for Underlying Shares, add] DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]"

- (e) Subscription Receipts and Underlying Shares issued to Purchasers who are not U.S. Purchasers or who are "qualified institutional buyers" as defined under the U.S. Securities Act may be issued in individually registered physically certificated form, or certificated or uncertificated form through the Depository, as directed by the Corporation. Any Subscription Receipts issued to non-U.S. Purchasers or who are otherwise "qualified institutional buyers" as defined under the U.S. Securities Act in individually registered physically certificated form, and each Underlying Share issued upon conversion of such Subscription Receipts following delivery of the Escrow Release Notice, will have imprinted on the physical certificate that may be issued in respect of such securities, as well as all certificates issued in replacement therefor, the following legend:

"THESE SECURITIES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (2) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND, IN EACH CASE, IN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES LAWS, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE

CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.”

- (f) Subject to the terms and conditions hereof, each Subscription Receipt issued will be automatically converted at the Escrow Release Time, without any further act or formality on the part of the Receiptholder and without payment of additional consideration, for one (1) Underlying Share.

2.2 Payment Acknowledgement

- (a) The Subscription Receipt Agent will acknowledge in writing to the Joint Bookrunners, Cresco and the Corporation, receipt from the Joint Bookrunners and, in connection with the sale of Subscription Receipts under the Non-Brokered Private Placement, from the Corporation pursuant to Section 6.1(a), of funds by certified cheque, bank draft or wire transfer, in the amount of \$103,831,517.80, being the amount equal to the Escrowed Subscription Funds, and confirm that such Escrowed Subscription Funds have been deposited together in a segregated account (the "**Escrow Account**") to be held and dealt with in accordance with this Agreement.
- (b) The Corporation hereby:
 - (i) acknowledges that the amounts received by the Subscription Receipt Agent pursuant to Section 2.2(a) of this Agreement represent payment in full of the aggregate Subscription Price for 12,624,054 Subscription Receipts, net of the Non-Escrowed Proceeds;
 - (ii) irrevocably directs the Subscription Receipt Agent to hold such amounts received pursuant to Section 2.2(a) of this Agreement in escrow in accordance with the terms of this Agreement pending release and payment of such amounts in accordance with the terms of this Agreement; and
 - (iii) irrevocably directs the Subscription Receipt Agent, immediately following the execution and delivery of this Agreement, in accordance with a written direction of the Corporation, to (i) certify and deliver one or more Subscription Receipt Certificates registered in accordance with the Subscription Agreements received from Receiptholders, and (ii) confirm the deposit of Uncertificated Subscription Receipts with the Depository in the Book-Entry System which shall be evidenced by a book position on the register of the Receiptholders to be maintained by the Subscription Receipt Agent.
- (c) The Joint Bookrunners hereby:
 - (i) irrevocably direct the Subscription Receipt Agent to retain the Escrowed Agents' Commission in accordance with the terms of this Agreement pending release and payment of such amount in accordance with the terms of this Agreement; and
 - (ii) agree that they will acknowledge receipt of an electronic deposit of Uncertificated Subscription Receipts in the Book-Entry System in the Depository representing an aggregate of 10,312,003 Subscription Receipts.

2.3 Terms of Subscription Receipts

Each Subscription Receipt shall evidence the right of the holder: (i) to receive, if the Escrow Release Time occurs at or before the Escrow Release Deadline, for no additional consideration, one (1) Underlying Share which shall be immediately exchanged for one (1) Resulting Issuer Share pursuant to the terms of the Amalgamation Agreement; and (ii) if a Termination occurs, to receive an amount equal to the sum of the Subscription Price per such Subscription Receipt and a *pro rata* share of the Earned Interest, less applicable withholding taxes, if any, all in the manner and on the terms and conditions set out in this Agreement.

2.4 Fractional Subscription Receipts

No fractional Subscription Receipts shall be issued or otherwise provided for hereunder.

2.5 Register for Subscription Receipts

The Corporation hereby appoints the Subscription Receipt Agent as transfer agent and registrar of the Subscription Receipts, and the Corporation shall cause to be kept by the Subscription Receipt Agent at the Designated Office, a securities register in which shall be entered the names and addresses of holders of Subscription Receipts and the other particulars, prescribed by law, of the Subscription Receipts held by them.

2.6 Register Open for Inspection

The securities register hereinbefore referred to shall be open at all reasonable times during regular business hours of the Subscription Receipt Agent on any Business Day for inspection by the Corporation, Cresco any of the Agents or any Receiptholder. The Subscription Receipt Agent shall, from time to time when requested to do so in writing by the Corporation, furnish the Corporation or Cresco with a list of the names and addresses of Receiptholders, upon payment of the reasonable charges of the Subscription Receipt Agent, entered in the registers kept by the Subscription Receipt Agent and showing the number of Subscription Receipts held by each such holder.

2.7 Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt shall confer or be construed as conferring upon a Receiptholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend meetings of Shareholders, or the right to receive dividends or any continuous disclosure materials of the Corporation or Cresco. Receiptholders are entitled to exercise only those rights expressly provided for by this Agreement on the terms and conditions set forth herein.

2.8 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts shall rank *pari passu*, whatever may be the actual date of issue of same.

2.9 Signing of Subscription Receipt Certificates

The Subscription Receipts may be issued in certificated or uncertificated form. The Subscription Receipt Certificates shall be signed by any officer or Director on behalf of the Corporation. The signature of such officer or Director may be mechanically reproduced in electronic form and Subscription Receipt Certificates bearing such electronic signature shall, subject to Section 2.10 of this Agreement, be binding

upon the Corporation as if they had been manually signed by such officer or Director. Notwithstanding that the person whose manual or electronic signature appears on any Subscription Receipt Certificate as such officer or Director may no longer hold such position at the date of such Subscription Receipt Certificate or at the date of Certification or delivery thereof, any Subscription Receipt Certificate signed as aforesaid shall, subject to Section 2.10 of this Agreement, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Agreement. Uncertificated Subscription Receipts shall be evidenced by a position in the Book-Entry System maintained by the Depository and an entry upon the register maintained by the Subscription Receipt Agent.

2.10 Certification by the Subscription Receipt Agent

- (a) The Subscription Receipt Agent shall Certify Subscription Receipts to be issued by the Corporation upon the written direction of the Corporation. No Subscription Receipt shall be issued or, if issued, shall be valid, for any purpose or entitle the holder to the benefit hereof until it has been Certified by manual signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate set out in Schedule "A" hereto or, in the case of Uncertificated Subscription Receipts, until it has been Certified by entry on the register of the particulars of the Subscription Receipts and such Certification by the Subscription Receipt Agent upon any Subscription Receipt shall be conclusive evidence as against the Corporation that the Subscription Receipt so Certified has been duly issued hereunder and that the holder is entitled to the benefits hereof. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error, and any Uncertificated Subscription Receipts recorded therein shall be binding on the Corporation.
- (b) The Certification by the Subscription Receipt Agent of Subscription Receipts issued hereunder shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or the Subscription Receipts (except the due Certification thereof by the Subscription Receipt Agent) and the Subscription Receipt Agent shall in no respect be liable for the use made of the Subscription Receipts or any of them or of the Escrowed Proceeds therefor except as otherwise specified herein. The Certification by or on behalf of the Subscription Receipt Agent of Subscription Receipts shall only constitute a representation and warranty by the Subscription Receipt Agent that the Subscription Receipts have been duly Certified by or on behalf of the Subscription Receipt Agent pursuant to the provisions of this Agreement.

2.11 Issue in Substitution for Subscription Receipt Certificates Lost, etc.

- (a) In case any of the Subscription Receipt Certificates shall become mutilated or be lost, destroyed or stolen, the Corporation, subject to applicable law and compliance with Section 2.11(b) below, shall issue and thereupon the Subscription Receipt Agent shall Certify and deliver, a new Subscription Receipt Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Subscription Receipt Agent and shall be entitled to the benefits hereof and shall rank *pari passu* with all other Subscription Receipt Certificates issued or to be issued hereunder.

- (b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.11 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Subscription Receipt Agent in their sole discretion, and such applicant may also be required to furnish an indemnity and surety bond in an amount and form satisfactory to the Corporation and the Subscription Receipt Agent in their sole discretion and shall pay the reasonable charges of the Corporation and the Subscription Receipt Agent in connection therewith.

2.12 Exchange of Subscription Receipt Certificates

- (a) Subscription Receipt Certificates may, upon compliance with the reasonable requirements of the Subscription Receipt Agent, acting reasonably, be exchanged for another Subscription Receipt Certificate or Subscription Receipt Certificates entitling the holder thereof to, in the aggregate, the same number of Subscription Receipts as represented by the Subscription Receipt Certificates so exchanged.
- (b) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Office of the Subscription Receipt Agent during regular business hours of the Subscription Receipt Agent. Any Subscription Receipt Certificates so tendered for exchange shall be cancelled. Any one officer or Director of the Corporation shall sign, on behalf of the Corporation, all Subscription Receipt Certificates necessary to carry out exchanges as aforesaid and those Subscription Receipt Certificates shall be Certified by or on behalf of the Subscription Receipt Agent.
- (c) Except as otherwise herein provided, the Subscription Receipt Agent may charge to the holder requesting an exchange a reasonable sum for each new Subscription Receipt Certificate issued in exchange, for Subscription Receipt Certificate(s). Payment of such charges and reimbursement of the Subscription Receipt Agent or the Corporation for any governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange.

2.13 Transferability and Registration of Subscription Receipts

- (a) The Subscription Receipts are non-transferable.
- (b) The Corporation and the Subscription Receipt Agent will deem and treat the registered owner of any Subscription Receipt as the beneficial owner thereof for all purposes and neither the Corporation nor the Subscription Receipt Agent shall be affected by any notice to the contrary.
- (c) Subject to the provisions of this Agreement and applicable law, a Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts. Either the issue of the Underlying Shares as provided in Section 3.3 of this Agreement, or the payment of the Escrowed Proceeds (less applicable withholding taxes, if any) as provided in Section 3.5 of this Agreement, all in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Corporation and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of a Receiptholder.

- (d) The Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws and are not transferable by the U.S. Receiptholders.
- (e) The Underlying Shares issuable pursuant to the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. A U.S. Receiptholder who is issued such Underlying Shares may only offer, sell, pledge, hypothecate or otherwise transfer such securities (i) to the Corporation, (ii) outside the United States to persons who are not U.S. Persons in accordance with an applicable exemption under the U.S. Securities Act and in accordance with applicable local laws and regulations.
- (f) The Resulting Issuer Shares have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. A U.S. Receiptholder who is issued Resulting Issuer Shares may only offer, sell, pledge or otherwise transfer such securities (i) to the Resulting Issuer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with local laws and regulations, (iii) if the securities have been registered in compliance with the registration requirements under the U.S. Securities Act and in accordance with applicable state securities laws, (iv) in compliance with the exemption from the registration requirements of the U.S. Securities Act provided by (A) Rule 144 under the U.S. Securities Act, if available, or Rule 144A under the U.S. Securities Act, if available, and, in each case, in accordance with applicable state securities laws, or (v) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; provided, that if the Resulting Issuer Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, the U.S. Receiptholder provides an executed declaration to the Resulting Issuer and its registrar and transfer agent, in substantially the form set forth as Schedule "C" hereto (or in such other form as the Resulting Issuer may prescribe from time to time) and, if requested by the Resulting Issuer or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Resulting Issuer and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; *provided further* that, in the case of each such transfer pursuant to Section 2.13(g)(iv)(A) and 2.13(g)(v) the U.S. Receiptholder has prior to such transfer furnished to the Resulting Issuer and its transfer agent an opinion of counsel of recognized standing or such other evidence in form and substance reasonably satisfactory to the Resulting Issuer stating that such transaction is exempt from registration under the U.S. Securities Act and applicable state securities laws.
- (g) As set forth in Section 3.3(g), the Resulting Issuer Shares issued to U.S. Purchasers that are qualified institutional buyers, may, at the direction of the Corporation, be issued in uncertificated form through the Depository without a U.S. restrictive legend; however, such securities remain subject to the restrictions on transfer set forth in Section 3.3(f).

2.14 Funds to be Placed in Escrow

Upon delivery of the Escrowed Subscription Funds pursuant to Section 2.2(a) of this Agreement to the Subscription Receipt Agent by certified cheque, bank draft or wire transfer of funds into the Escrow Account to be held pursuant to the terms hereof, the Subscription Receipt Agent shall issue the Subscription Receipts and deliver to the Foreign Subscribers and to the Joint Bookrunners, or as jointly

directed by the Joint Bookrunners and the Corporation, either Subscription Receipt Certificates or Uncertificated Subscription Receipts. The Subscription Receipt Agent hereby agrees to hold the Escrowed Proceeds as agent for and on behalf of the Receiptholders, the Agents and the Corporation and to disburse and deal with the same as provided herein. The Subscription Receipt Agent shall retain the Escrowed Subscription Funds for the benefit of the holders of the Subscription Receipts and, upon the delivery of the Escrow Release Notice to the Subscription Receipt Agent (at or before the Escrow Release Deadline), retroactively for the benefit of the Corporation and the Agents in accordance with the provisions of this Agreement.

2.15 Subscription Receipts and Trading

The Corporation confirms that the Subscription Receipts have not been approved for listing on the CSE or any other stock exchange, and will not be posted for trading.

2.16 Cancellation of Surrendered Subscription Receipt Certificates

All Subscription Receipt Certificates surrendered to the Subscription Receipt Agent pursuant to Sections 2.11 and 2.12 shall be returned to the Subscription Receipt Agent for cancellation and, if required by the Corporation, the Subscription Receipt Agent shall furnish the Corporation with a cancellation certificate identifying the Subscription Receipt Certificates so cancelled and the number of Subscription Receipts evidenced thereby.

2.17 Book-Entry Subscription Receipts

- (a) Except as provided in this Section 2.17, owners of beneficial interests in any Uncertificated Subscription Receipts shall not be entitled to have Subscription Receipt Certificates registered in their names and shall not receive or be entitled to receive Subscription Receipt Certificates or to have their names appear in the register referred to herein while they are held as Book-Entry System securities with the Depository.
- (b) Notwithstanding any other provision in this Agreement, no Uncertificated Subscription Receipts may be exchanged in whole or in part for Subscription Receipt Certificates registered, and no transfer of an Uncertificated Subscription Receipt in whole or in part may be registered, in the name of any person other than the Depository for such Uncertificated Subscription Receipts or a nominee thereof unless:
 - (i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Uncertificated Subscription Receipts and the Corporation is unable to locate a qualified successor;
 - (ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the Uncertificated Subscription Receipts and the Corporation is unable to locate a qualified successor;
 - (iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;
 - (iv) the Corporation determines that the Subscription Receipts shall no longer be held in the Book-Entry System through the Depository;

(v) such right is required by applicable law, as determined by the Corporation and counsel; or

(vi) the Corporation so instructs the Subscription Receipt Agent in writing,

following which Subscription Receipts Certificates for those holders requesting such shall be issued to the beneficial owners of such Subscription Receipts or their nominees as directed by the holder thereof. The Corporation shall provide an officer's certificate giving notice to the Subscription Receipt Agent of the occurrence of any event outlined in this Section 2.17(b), except in the case of Section 2.17(b)(vi).

- (c) Notwithstanding anything to the contrary in this Agreement, subject to applicable law, all Subscription Receipts sold by the Agents will be issued as Uncertificated Subscription Receipts, unless otherwise directed in writing by the Joint Bookrunners and the Corporation.
- (d) The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the Book-Entry System shall be limited to those established by applicable law and agreements between the Depository and the CDS Participants and between such CDS Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the Book-Entry System, and such rights must be exercised through a CDS Participant in accordance with the rules and applicable procedures of the Depository.
- (e) For so long as Subscription Receipts are held through the Depository, if any notice or other communication is required to be given to Receiptholders, the Subscription Receipt Agent will give such notices and other communications to the Depository.
- (f) Notwithstanding anything herein to the contrary, neither the Corporation, the Agents, nor the Subscription Receipt Agent 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 any other interests in the Subscription Receipts 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 Subscription Receipts represented by an electronic position in the book entry registration system (other than the Depository or its nominee);
 - (ii) maintaining, supervising or reviewing any records of the Depository or any CDS 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 CDS Participant.

ARTICLE 3

ESCROW RELEASE OR TERMINATION

3.1 Notice of Escrow Release Conditions

- (a) If the Escrow Release Conditions, other than the delivery of the Escrow Release Notice, have been satisfied on or before the Escrow Release Deadline, the Corporation and Cresco shall provide written notice in the form of an officer's certificate addressed to the Joint Bookrunners immediately thereafter certifying that the Escrow Release Conditions, other than the delivery of the Escrow Release Notice, have been satisfied.
- (b) If the Escrow Release Conditions, other than the delivery of the Escrow Release Notice, have been satisfied at or before the Escrow Release Deadline, and the notice referred to in Section 3.1(a) has been delivered to the Joint Bookrunners, Cresco, the Corporation and the Joint Bookrunners shall forthwith cause a notice of the same executed by the Corporation, Cresco and the Joint Bookrunners to be delivered to the Subscription Receipt Agent (substantially in the form attached as Schedule "B", the "**Escrow Release Notice**"). The Escrow Release Notice delivered to the Subscription Receipt Agent shall specify the amounts to be released pursuant to Section 3.2 of this Agreement and to whom such amounts should be released.

3.2 Release of the Escrowed Proceeds

If the Escrow Release Time occurs at or before the Escrow Release Deadline: (i) the Corporation shall be entitled to receive from the Subscription Receipt Agent, the Escrowed Proceeds, less the Escrowed Agents' Commission and any Earned Interest thereon, less the Agents' Expenses incurred after the Closing Date, and (ii) the Joint Bookrunners, on behalf of the Agents, shall be entitled to receive from the Subscription Receipt Agent, the Escrowed Agents' Commission and the Earned Interest thereon in accordance with Section 4.2 of this Agreement and the Agents' Expenses incurred after the Closing Date. The Subscription Receipt Agent shall deliver the funds referred to in this Section 3.2 to the Corporation and the Joint Bookrunners, on behalf of the Agents, (or as directed by the Corporation and the Joint Bookrunners, as applicable) as soon as practicable after the delivery of the Escrow Release Notice referred to in Section 3.1 of this Agreement by wire transfer. Any Escrow Release Notice delivered to the Subscription Receipt Agent must be received by the Subscription Receipt Agent no later than 10:00 a.m. (Toronto time) on the day on which the funds are to be released. Any Escrow Release Notice received by the Subscription Receipt Agent after 10:00 a.m. (Toronto time) or received on a day that is not a Business Day shall, unless the notice is received on the date of the Escrow Release Deadline, be deemed to have been given prior to 10:00 a.m. (Toronto time) on the next Business Day.

3.3 Issue of Underlying Shares and Payment Thereon

- (a) If the Escrow Release Notice is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline, upon receipt of the Escrow Release Notice by the Subscription Receipt Agent, all Underlying Shares will be deemed to have been issued on the Escrow Release Date for and on behalf of the Receiptholders and the Receiptholders shall, without payment of additional consideration or any further action on the part of the Receiptholders (including the surrender of any Subscription Receipt Certificates or deemed surrender of any Uncertificated Subscription Receipts), be deemed to have subscribed for the corresponding number of Underlying Shares issuable pursuant to such Subscription Receipts.

- (b) Upon the deemed issuance of the Underlying Shares, the Corporation and Cresco shall, in accordance with the provisions of its constating documents, cause the Underlying Shares to be issued and, pursuant to the Amalgamation Agreement, to be exchanged for Resulting Issuer Shares on a one-for-one basis. Within five (5) Business Days after the receipt of the Escrow Release Notice provided for in Section 3.1 of this Agreement, the Subscription Receipt Agent shall cause the Resulting Issuer Shares to be deposited, mailed or delivered to the person or persons entitled thereto in the same manner as such person or persons held their Subscription Receipts.
- (c) Effective immediately after the Underlying Shares have been, or have been deemed to be, issued as contemplated by Section 3.3(a) hereof, the Subscription Receipts relating thereto shall be void and of no value or effect.
- (d) The Subscription Receipt Agent shall not be responsible for calculating the amounts owing under Section 3.2 of this Agreement, but shall be entitled to rely on the Escrow Release Notice specifying the payments to be made pursuant to Section 3.2 of this Agreement.
- (e) Each Underlying Share issued to a non-U.S. Receiptholder or a U.S. Receiptholder who is a "qualified institutional buyers" pursuant to a Subscription Receipt Certificate bearing the legend set forth in Section 2.1(e) of this Agreement, and each Underlying Share issued in exchange therefor or in substitution thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THESE SECURITIES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (2) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND, IN EACH CASE, IN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES LAWS, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.”

- (f) Each Underlying Share issued to a U.S. Receiptholder (other than U.S. Receiptholders that qualify as qualified institutional buyers) pursuant to a Subscription Receipt Certificate bearing the legend set forth in Section 2.1(d) of this Agreement, and each Underlying Share issued in exchange therefor or in substitution thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

THE OFFER AND SALE OF 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 ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, OR (B) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A "U.S. PERSON" (AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (g) Certificates or other Book-Entry System deposits representing the Resulting Issuer Shares issued upon the exchange of the Underlying Shares to, or for the account or benefit of, U.S. Receiptholders (other than U.S. Receiptholders that qualify as qualified institutional buyers), and all certificates issued in exchange therefore or in substitution thereof, shall bear or be deemed to bear, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, the following 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 ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (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 ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) RULE 144A THEREUNDER, IF AVAILABLE AND IN COMPLIANCE WITH STATE SECURITIES LAWS OR (D) WITHIN THE UNITED STATES, WITH ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED, IN THE CASE OF AN OFFER, SALE, ASSIGNMENT, PLEDGE, ENCUMBRANCE OR OTHER TRANSFER PURSUANT TO (C)(i) or (D), THE HOLDER SHALL HAVE PROVIDED TO THE CORPORATION AN OPINION OF COUNSEL TO THE EFFECT THAT THE PROPOSED TRANSFER MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, WHICH OPINION AND COUNSEL MUST BE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY

NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF
TRANSACTIONS ON STOCK EXCHANGES IN CANADA OR
ELSEWHERE.

provided, that if the Resulting Issuer Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Resulting Issuer and to the Resulting Issuer, in substantially the form set forth as Schedule "C" hereto (or in such other form as the Resulting Issuer may prescribe from time to time) and, if requested by the Resulting Issuer or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Resulting Issuer and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and

provided further, that if any of the Resulting Issuer Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Resulting Issuer's registrar and transfer agent of an opinion reasonably satisfactory to the Resulting Issuer and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3.4 Fractions

Notwithstanding anything herein contained, the Corporation shall not be required, upon the conversion of the Subscription Receipts, to issue fractions of Underlying Shares. The number of Underlying Shares issued will be rounded up or down to the nearest whole number and the Corporation shall not pay any amounts to the holder in satisfaction of the right to otherwise have received a fraction of an Underlying Share.

3.5 Payment on Termination

- (a) If a Termination occurs, the Corporation shall forthwith notify the Subscription Receipt Agent and the Joint Bookrunners thereof in writing (the "**Termination Notice**") and shall issue a press release setting forth the Termination Date.
- (b) If a Termination occurs, each Subscription Receipt shall, subject to Section 3.5(e) hereof, be automatically terminated and cancelled and each Receiptholder shall be entitled to receive out of the Escrowed Proceeds at the Termination Payment Time, an amount equal to (i) the aggregate Subscription Price in respect of such holder's Subscription Receipts; and (ii) such holder's pro rata share of the Earned Interest thereon less applicable withholding taxes, if any.
- (c) The amounts paid to each Receiptholder under Section 3.5(b) shall be satisfied by the Escrowed Proceeds. To the extent that the Escrowed Proceeds are insufficient to refund to each Receiptholder an amount equal to the aggregate Subscription Price for the Subscription Receipts held by them plus such holder's *pro rata* share of the Earned Interest thereon less applicable withholding taxes, if any, (a "**Shortfall**"), the Corporation shall be responsible and liable to the Receiptholders for any Shortfall and shall contribute such amounts as are necessary to satisfy any Shortfall such that each Receiptholder will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts

held plus such holder's *pro rata* share of the Earned Interest thereon less applicable withholding taxes, if any. In no case will the Subscription Receipt Agent or the Agents be liable to the Receiptholders in the event of a Shortfall.

- (d) The obligation to make the payment of the amounts specified in Section 3.5(b) shall be satisfied, in the case of Depository, by wire transfer made by the Subscription Receipt Agent to the applicable Receiptholders or otherwise, or otherwise by the Subscription Receipt Agent mailing cheques made payable to the Receiptholders at their registered addresses.
- (e) Upon receipt of a wire transfer, in the case of the Depository, or the mailing or delivery of any cheque as provided in Section 3.5(d) (and, in the case of a cheque, provided such cheque has been honoured for payment, if presented for payment within six (6) months of the date thereof) all rights evidenced by the Subscription Receipts held by a Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no further value or effect.

3.6 Additional Payments by the Corporation

The Corporation shall, no later than one (1) Business Day before the date upon which any amount due hereunder from the Corporation, is required to be paid pursuant to Article 3 of this Agreement, pay to the Subscription Receipt Agent such amount, if any, in immediately available funds as will be sufficient to allow the Subscription Receipt Agent to pay in full the amounts required to be paid under this Article 3. The Corporation shall notify in writing the Subscription Receipt Agent and the Joint Bookrunners of such payments when made.

3.7 Withholding

The Subscription Receipt Agent shall be entitled to deduct and withhold from any amount released pursuant to this Agreement all taxes which may be required to be deducted or withheld under any provision of applicable tax law. All such withheld amounts will be treated as having been delivered to the party entitled to the amount released in respect of which such tax has been deducted or withheld and remitted to the appropriate taxing authority.

ARTICLE 4 ESCROWED AGENTS' COMMISSION

4.1 Escrowed Agents' Commission to be placed in Escrow

On the Closing Date, the Escrowed Agents' Commission shall be delivered to the Subscription Receipt Agent to be held in the Escrow Account pursuant to the terms hereof. The Subscription Receipt Agent hereby agrees to hold the same as agent for and on behalf of the Agents and the Receiptholders, as the case may be, and to disburse and deal with the same as provided herein.

4.2 Release of Escrowed Agents' Commission

If the Escrow Release Time occurs at or before the Escrow Release Deadline and the Escrow Release Notice is delivered in accordance herewith, the Subscription Receipt Agent shall complete a wire transfer payable to the Joint Bookrunners, on behalf of the Agents, in the full amount of the Escrowed Agents' Commission and any Earned Interest thereon plus an amount equal to all Agents' Expenses incurred after the Closing Date, in accordance with the Escrow Release Notice.

ARTICLE 5 ADJUSTMENT

5.1 Definitions

In this Article 5, references to any "record date" refer to the particular time on such relevant date stipulated for such event and otherwise refer to 5:00 p.m. (Toronto time) on such date.

5.2 Adjustment

The rights attaching to the Subscription Receipts are subject to adjustment from time to time in the event of and in the manner provided as follows:

- (a) If at any time after the issuance of the Subscription Receipts and before the Escrow Release Time, the Corporation:
 - (i) issues to all or substantially all the holders of the Common Shares, by way of a stock distribution, stock dividend or otherwise, Common Shares or securities convertible into Common Shares or subdivides, re-divides or changes its outstanding Common Shares into a greater number of Common Shares, or
 - (ii) reduces, combines or consolidates its outstanding Common Shares into a lesser number of Common Shares, (any of such events in Sections 5.2(a)(i) and 5.2(a)(ii) being called a "**Common Share Reorganization**"),

then the number of Common Shares issuable with respect to each Subscription Receipt will be adjusted as of the record date at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization by multiplying the number of Common Shares theretofore obtainable immediately prior to such record date by a fraction, the numerator of which will be the number of Common Shares outstanding on the record date after giving effect to such Common Share Reorganization and the denominator of which will be the number of Common Shares outstanding on the record date before giving effect to such Common Share Reorganization.

- (b) If at any time after the issuance of the Subscription Receipts and before the Escrow Release Time, there is a reclassification of Common Shares outstanding or a change or exchange of the Common Shares into other securities or property (other than a Common Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities or property), or a transfer of the undertakings or assets of the Corporation as an entirety or substantially as an entirety to another entity, or a record date for any of the foregoing events occurs, (any of such events being herein called a "**Capital Reorganization**"), any holder entitled to acquire Underlying Shares after the record date or effective date of such Capital Reorganization will be entitled to receive, and will accept in lieu of the number of Underlying Shares to which such holder was theretofore entitled, the aggregate number of other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date of such Capital Reorganization, the holder had been the registered holder of the number of Underlying Shares to which such holder was then entitled with respect to the Subscription Receipts subject to adjustment thereafter in accordance with provisions the same, as nearly as may

be possible, as those contained in this Section 5.2, provided however, that no such Capital Reorganization will be carried into effect unless all necessary steps have been taken to so entitle the holders.

- (c) If at any time after the issuance of the Subscription Receipts and prior to the Escrow Release Time, the Corporation issues or distributes to the holders of all or substantially all of the outstanding Common Shares, cash or securities of the Corporation, including rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares or property or assets, including evidences of indebtedness, other than as a result of a Common Share Reorganization or a Capital Reorganization, or a record date for any of the foregoing events occurs, the Receiptholders will be entitled to receive, and will receive, in addition to the number of Common Shares to which such holder was theretofore entitled, the kind and amount of Common Shares, cash or other securities, property or assets which result from such issue or distribution as if, on the record date at which holders of Common Shares are determined for the purpose thereof, such Receiptholder had been the registered holder of the number of Common Shares to which the holder was theretofore entitled.
- (d) The adjustments provided for in this Section 5.2 are cumulative and shall apply to successive subdivisions, consolidations, changes, distributions, issues or other events resulting in any adjustment under the provisions of this Section 5.2.
- (e) In the event that the Corporation, after the date hereof, shall take any action affecting the Common Shares, other than the actions described in this Section 5.2 or in connection with the Business Combination Agreement or the Amalgamation Agreement, which, in the reasonable opinion of the Directors, would materially affect the rights of the Receiptholders or the rights attaching to the Subscription Receipts, then the number of Underlying Shares which are to be received pursuant to the Subscription Receipts shall be adjusted in such manner, if any, and at such time as the Directors may, in their discretion, reasonably determine to be equitable to the Receiptholders in such circumstances.
- (f) In the event of any question arising with respect to the adjustment provided in this Section 5.2, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation and acceptable to the Subscription Receipt Agent (who may be the auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Subscription Receipt Agent, the Joint Bookrunners and the Receiptholders.
- (g) As a condition precedent to the taking of any action which would require an adjustment in the number of Common Shares issuable upon conversion of the Subscription Receipts, the Corporation shall take any corporate action which may, in the opinion of counsel to the Corporation (acting reasonably), be necessary to ensure that the Corporation has sufficient authorized capital and that the Corporation may validly and legally issue, as fully paid and non-assessable shares, all of the securities which the holders of such Subscription Receipts are entitled to receive on the conversion of the Subscription Receipts, in accordance with the provisions of this Agreement.
- (h) The Subscription Receipt Agent may rely upon certificates and other documents filed by the Corporation pursuant to this Article 5 for all purposes of any adjustment.

5.3 Duties of the Subscription Receipt Agent

The Subscription Receipt Agent shall not:

- (a) at any time be under any duty or responsibility to any Receiptholder to determine whether any facts exist which may require any adjustment contemplated in Section 5.2, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making such adjustment;
- (b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares, or of any other securities or property which may at any time be issued or delivered upon the conversion of the rights attaching to any Subscription Receipt;
- (c) be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Underlying Shares or certificates, or to comply with any of the covenants contained in Article 5 of this Agreement; or
- (d) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the agents of the Corporation.

5.4 Notice of Adjustment

- (a) Promptly upon the occurrence of the earlier of the effective date of or the record date for any event referred to in Section 5.2 of this Agreement that requires an adjustment of the rights attaching to the Subscription Receipts, the Corporation shall:
 - (i) file with the Subscription Receipt Agent a certificate of the Corporation specifying the particulars of the event and, if determinable, the adjustment and computation of the adjustment, which certificate, if required by the Subscription Receipt Agent and subject to the availability of the Corporation's auditors, shall be supported by a certificate of the Corporation's auditors verifying such computation, and the Subscription Receipt Agent may act and rely absolutely on the certificates of the Corporation or the Corporation's auditors, as applicable; and
 - (ii) give notice, or cause notice to be given, to the Receiptholders of its intention to fix the record date for any event referred to in Section 5.2 of this Agreement and, if determinable, the adjustment, such notice to specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given.
- (b) If notice has been given under Section 5.4(a) of this Agreement and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable:
 - (i) file with the Subscription Receipt Agent a computation of the adjustment and, if applicable, the certificate of the Corporation's auditors verifying such computation; and

- (ii) give notice, or cause notice to be given, to the Receiptholders of its intention to fix the record date for any event referred to in Section 5.2 of this Agreement and the adjustment, such notice to specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given.

ARTICLE 6

INVESTMENT OF PROCEEDS AND PAYMENT OF INTEREST

6.1 Investment of Proceeds

- (a) The Corporation and Pubco shall direct that the Joint Bookrunners deliver the Escrowed Subscription Funds with respect to the Offering pursuant to the Agency Agreement to the Subscription Receipt Agent on the Closing Date by way of a wire transfer. The Corporation will deliver or cause to be delivered the Escrowed Subscription Funds with respect to the Non-Brokered Private Placement to the Subscription Receipt Agent prior to the Closing Date by way of wire transfer or other payment method acceptable to the Subscription Receipt Agent. The Subscription Receipt Agent shall immediately place all such funds in a segregated account at the Canadian Imperial Bank of Commerce in accordance with the provisions of this Article 6. The Corporation acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of \$8.50 per Subscription Receipt therefor that the Escrowed Proceeds are held by the Subscription Receipt Agent in accordance with the provisions of this Article 6. The Corporation further acknowledges and confirms that it has no interest in the Escrowed Proceeds unless and until the Escrow Release Notice is delivered to the Subscription Receipt Agent. The Subscription Receipt Agent shall retain the Escrowed Proceeds for the benefit of the Receiptholders and the Joint Bookrunners, on behalf of the Agents and, upon the delivery of the Escrow Release Notice, to the Subscription Receipt Agent, retroactively for the benefit of the Corporation in accordance with the provisions of this Article 6.
- (b) Pending disbursement of the Escrowed Proceeds, and upon receipt of a written direction from the Corporation and the Joint Bookrunners, the Subscription Receipt Agent shall invest same in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments, collectively, the "**Investments**"), but the Subscription Receipt Agent shall not be liable to account for any profit to any parties to this Agreement or to any other person or entity other than at a rate, if any, established from time to time by the Subscription Receipt Agent. In the event that the Subscription Receipt Agent does not receive a written direction or receives a written direction that does not deal with the entirety of the Escrowed Proceeds, the Escrowed Proceeds or the undirected portion of same will be credited to or remain in the segregated account referred to in Section 6.1(a) and the Subscription Receipt Agent will pay interest on such amount at a rate that it normally pays on similar funds held in trust. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Receiptholders and the Subscription Receipt Agent shall have no liability with respect to any loss in value of Investments as permitted to be made hereunder.
- (c) At any time and from time to time, the Corporation and the Joint Bookrunners shall be entitled to jointly direct the Subscription Receipt Agent by written notice (a) not to deposit any new amounts in any Investments specified in the notice and/or (b) to

withdraw all or any of the Escrowed Proceeds that may then be deposited with any Investments specified in the notice and re-deposit such amount with one or more of such other Investments as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practicable and the Corporation acknowledges and agrees that such specified amount remains at the sole risk of the Receiptholders prior to and after such withdrawal.

- (d) For tax reporting purposes, all Earned Interest or other taxable income earned from the investment of the Escrowed Proceeds in any tax year shall (i) to the extent such interest is distributed by the Subscription Receipt Agent to any person or entity pursuant to the terms of this Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise be allocated to the Corporation in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Receiptholders, the Joint Bookrunners, on behalf of the Agents, and the Corporation agree to provide the Subscription Receipt Agent with their certified tax identification numbers and others forms, documents and information that the Subscription Receipt Agent may request in order to fulfill any tax reporting function.

6.2 Segregation of Proceeds

The Escrowed Proceeds received by the Subscription Receipt Agent and any securities or other instruments received by the Subscription Receipt Agent upon the investment or reinvestment of such Escrowed Proceeds, shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent for the benefit of the Receiptholders, the Corporation or the Joint Bookrunners, on behalf of the Agents, as the case may be, and the delivery of the Escrowed Proceeds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent, the Receiptholders, the Corporation or the Joint Bookrunners, on behalf of the Agents, as the case may be.

ARTICLE 7 RIGHTS OF THE CORPORATION AND COVENANTS

7.1 General Covenants

- (a) The Corporation covenants with the Subscription Receipt Agent and the Joint Bookrunners that so long as any Subscription Receipts remain outstanding:
 - (i) it shall at all times maintain its existence and will carry on and conduct its business, and that of its subsidiaries, in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of account in accordance with applicable law and generally accepted accounting principles;
 - (ii) except as contemplated in the Agency Agreement, the Business Combination Agreement, or the Amalgamation Agreement, it shall not take any action which would result in, or cause any change to, the share capital or capital structure of the Corporation including, but not limited to, a Common Share Reorganization or a Capital Reorganization, or enter into any agreement to do any of the foregoing;

- (iii) it will perform and carry out all acts or things to be done by it as provided in this Agreement;
- (iv) prior to the earlier of the Escrow Release Time and the Termination Date, it will not sell the properties or assets of the Corporation as, or substantially as, an entirety, to any other entity;
- (v) will reserve and conditionally allot for the purpose and keep available sufficient unissued Common Shares to enable it to satisfy its obligations on the conversion of the Subscription Receipts;
- (vi) it will cause the Common Shares to be duly issued pursuant to the conversion of the Subscription Receipts and the certificates representing such Common Shares to be issued and delivered, or if uncertificated, for a deposit of uncertificated Common Shares to be made with the Depository or for the issuance to be recorded in the register of the Common Shares, in accordance with the provisions of this Agreement and the terms hereof and all Underlying Shares that are issued on the conversion of the Subscription Receipts will be fully paid and non-assessable securities;
- (vii) it will use its reasonable commercial efforts to complete the Proposed Transaction on or before the Escrow Release Deadline;
- (viii) the Corporation confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the Exchange Act or a reporting obligation pursuant to Section 15(d) of the Exchange Act. The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the Exchange Act, (ii) the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the Exchange Act, the Corporation shall promptly deliver to the Subscription Receipt Agent an officers' certificate (in a form provided by the Subscription Receipt Agent) notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may reasonably require at the time. The Corporation acknowledges that the Subscription Receipt Agent is relying upon the foregoing representations and covenants in order to meet certain obligations of the Subscription Receipt Agent with respect to those clients of the Subscription Receipt Agent that are required to file reports with the United States Securities and Exchange Commission under the Exchange Act;
- (ix) it will provide written notification to the Subscription Receipt Agent of the satisfaction of the Escrow Release Conditions and the Escrow Release Date or the Termination Date, as the case may be, in accordance with the terms of this Agreement;
- (x) it will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 3.1 hereof as required by such section and will not take any action or omit to take any action which would have the effect of preventing the Receiptholders from receiving any of the Underlying Shares issued upon conversion of the Subscription Receipts;

- (xi) it will make all requisite filings, including any required filings with appropriate securities commissions and stock exchanges, as applicable, in connection with the conversion of the Subscription Receipts and the issue of the Underlying Shares;
- (xii) it shall provide at least 14 Business Days written notice to each Receipholder of any record date to be set or declared by the Corporation with respect to any meeting or written resolution of holders of Common Shares;
- (xiii) in the event that (A) the Corporation delivers the Termination Notice, or (B) if the Escrow Release Notice has not been provided in accordance with the provisions hereof at or prior to the Escrow Release Deadline, it will promptly advise the Subscription Receipt Agent, the Receipholders and the Joint Bookrunners in writing advising of that fact and each holder of Subscription Receipts shall receive that amount equal to the original Subscription Price for each Subscription Receipt held plus the holder's *pro rata* share of the Earned Interest, if any, on such amount (less any applicable withholding tax thereon) and such notice shall be sent within two (2) Business Days after the Termination Date;
- (xiv) generally, it shall well and truly perform and carry out all acts or things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated thereby; and
- (xv) it will promptly advise the Subscription Receipt Agent and the Agents in writing of any material default under the terms of this Agreement.

7.2 Subscription Receipt Agent's Remuneration and Expenses

The Corporation covenants that it will pay, or direct Cresco to pay, to the Subscription Receipt Agent from time to time, reasonable remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of this Agreement both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Subscription Receipt Agent's gross negligence, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable on demand.

7.3 Performance of Covenants by Subscription Receipt Agent

If the Corporation shall fail to perform any of its covenants contained in this Agreement, the Subscription Receipt Agent may notify the Receipholders and the Joint Bookrunners of such failure on the part of the Corporation or may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to perform said covenants or to notify the Receipholders of such performance by it. All sums expended or advanced by the Subscription Receipt Agent in so doing shall be repayable as provided in Section 7.2 of this Agreement. No such performance, expenditure or advance by the Subscription Receipt Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants contained herein.

7.4 Accounting

The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment, reinvestment and disbursement of the Escrowed Subscription Funds, and shall provide to the Corporation and the Joint Bookrunners records and statements thereof periodically upon written request. The Corporation shall have the right to audit any such books, records, accounts and statements.

7.5 Payments by Subscription Receipt Agent

The Subscription Receipt Agent will disburse monies according to this Agreement only to the extent that monies have been deposited with it. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit with the Subscription Receipt Agent at the time of such disbursement.

7.6 Regulatory Matters

The Corporation shall file all such documents, notices and certificates and take such steps and do such things as may be necessary under Applicable Securities Laws to permit the issuance of the Underlying Shares in the circumstances contemplated by Section 3.3 of this Agreement such that such issuance will comply with the prospectus and registration requirements (or exemptions therefrom) of Applicable Securities Laws in each of the provinces and territories of Canada, as applicable.

7.7 Anti-Money Laundering & Privacy

The Subscription Receipt Agent 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 Subscription Receipt Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering, or anti-terrorist legislation or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Agreement has resulted in a non-compliance with any applicable anti-money laundering, or anti-terrorist legislation or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 Business Days prior written notice sent to all parties provided that (i) the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably, within such 10 Business Day period, then such resignation shall not be effective.

7.8 Privacy

The parties acknowledge that the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Agreement and other services that may be requested from time to time;
- (b) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;

- (c) to meet the Subscription Receipt Agent's legal and regulatory requirements; and
- (d) if Social Insurance Numbers (or the equivalent) are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website www.odysseytrust.com, or upon request, including revisions thereto. Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

7.9 Use of Accounts

Each of the Corporation and the Joint Bookrunners hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such party other than the Receiptholders, either (i) is not intended to be used by or on behalf of any third party, or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Subscription Receipt Agent's prescribed form as to the particulars of such third party.

ARTICLE 8 ENFORCEMENT

8.1 Suits by Receiptholders

Subject to Section 9.10 hereof, any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or this Agreement, or of both, may be enforced by the Receiptholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions contained herein for the benefit of the Receiptholders. The Subscription Receipt Agent shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may reasonably be advised shall be necessary or advisable to preserve and protect its interests and the interests of Receiptholders.

ARTICLE 9 MEETINGS OF RECEIPTHOLDERS

9.1 Right to Convene Meetings

The Subscription Receipt Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Receiptholders' Request and upon being funded and indemnified to its reasonable satisfaction by the Corporation or by the Receiptholders signing such Receiptholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Receiptholders. In the event of the Subscription Receipt Agent failing to so convene a meeting within 10 days after receipt of such written request of the Corporation or such Receiptholders' Request and funding and indemnity given as aforesaid, the Corporation or such

Receiptholders, as the case may be, may convene such meeting. Every such meeting shall be held in Toronto, Ontario, Canada or at such other place as may be determined by the Subscription Receipt Agent and approved by the Corporation.

9.2 Notice

At least 10 days prior notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided for in Section 12.2 of this Agreement and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the date (which shall be a Business Day) and time when, and the place where, the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Receiptholders to make a reasoned decision on the matter, but 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.

9.3 Chairman

An individual (who need not be a Receiptholder) nominated in writing by the Subscription Receipt Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 30 minutes from the time fixed for the holding of the meeting, the Receiptholders present in person or by proxy shall choose an individual present at the meeting to be chairman.

9.4 Quorum

Subject to the provisions of Section 9.11 of this Agreement, at any meeting of the Receiptholders, a quorum shall consist of not less than two (2) Receiptholders present in person or by proxy and holding at least 10% of the then outstanding Subscription Receipts. If a quorum of the Receiptholders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case the meeting shall 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 Business Day immediately following such day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum is present at the commencement of business. At the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not hold at least 10% of the then outstanding Subscription Receipts.

9.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Receiptholders is present may, with the majority consent of the meeting, 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 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on a special resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the

chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

9.7 Poll and Voting

On every special resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Receiptholders acting in person or by proxy and holding at least 5% of the Subscription Receipts then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by special resolution shall be decided by a majority of the votes cast on the poll.

On a show of hands, every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more absent Receiptholders, or both, shall have one (1) vote. On a poll, each Receiptholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one (1) vote in respect of each Subscription Receipt then held or represented by such person. A proxy need not be a Receiptholder. In the case of joint holders, 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 shall be present in person or by proxy, they shall vote together in respect of Subscription Receipts of which they are joint registered holders.

The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, that are held or represented by the chairman.

9.8 Regulations

The Subscription Receipt Agent, or the Corporation with the approval of the Subscription Receipt Agent, may from time to time make or vary such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting of Receiptholders for the purpose of determining Receiptholders entitled to receive notice of and vote at such meeting;
- (b) the deposit of voting certificates and instruments appointing proxies at such place and time as the Subscription Receipt Agent, the Corporation or the Receiptholders, convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (c) the deposit of voting certificates and 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 or electronically transferred before the meeting to the Corporation or to the Subscription Receipt Agent 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;
- (d) the form of the instrument of proxy and the manner in which the instrument of proxy must be executed; and
- (e) the calling of meetings of Receiptholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the only votes given in accordance therewith shall be valid and shall be counted. Except as such regulations may provide, the only persons who shall be recognized at any meeting as a Receiptholder, or be entitled to vote or be present at the meeting in respect

thereof (subject to Section 9.9), shall be Receiptholders, their counsel, or duly appointed proxies of Receiptholders.

9.9 Corporation and Subscription Receipt Agent may be Represented

The Corporation, Cresco and the Subscription Receipt Agent, by their respective authorized employees, agents, and counsel for the Corporation, Cresco and the Subscription Receipt Agent may attend any meeting of the Receiptholders, but shall have no vote at any such meeting unless in their capacity as Receiptholder or proxy.

9.10 Powers Exercisable by Special Resolution

In addition to all other powers conferred upon them by any other provisions of this Agreement or by law, the Receiptholders at a meeting shall, subject to the provisions of Section 9.11, have the power, subject to all applicable regulatory and exchange approvals, exercisable from time to time by special resolution (as defined in Section 9.11):

- (a) to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or, subject to the consent of the Subscription Receipt Agent (such consent not to be unreasonably withheld), the Subscription Receipt Agent in its capacity as agent hereunder or on behalf of the Receiptholders against the Corporation or against its undertaking, property and assets or any part thereof whether such rights arise under this Agreement, the Subscription Receipt Certificates or otherwise which shall be agreed to by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or indenture supplemental hereto in connection therewith;
- (b) to amend, alter or repeal any special resolution previously passed or sanctioned by the Receiptholders;
- (c) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or to authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Corporation contained in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders in any manner specified in such special resolution or to refrain from enforcing any such obligation, covenant or right referred to in this Section 9.10(c);
- (d) to waive, or authorize and direct the Subscription Receipt Agent to waive, any default on the part of the Corporation in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such special resolution;
- (e) to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Receiptholders, such of the powers of the Receiptholders as are exercisable by special resolution;
- (f) to restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;

- (g) to direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;
- (h) to assent to any modification of, change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to in writing by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;
- (i) with the consent of the Corporation (such consent not to be unreasonably withheld), to remove the Subscription Receipt Agent or its successor in office and to appoint a new subscription receipt agent to take the place of the Subscription Receipt Agent;
- (j) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any Common Shares or other securities of the Corporation;
- (k) to extend the Escrow Release Deadline; and
- (l) to assent to any modification of, change in or omission from the definition of "**Termination**" contained in this Agreement or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission.

For greater certainty, none of the foregoing matters may be effected by the Corporation or the Subscription Receipt Agent without the approval of the Receiptholders by way of special resolution.

9.11 Meaning of Special Resolution

- (a) The expression "special resolution" when used in this Agreement means, subject as hereinafter provided in this Section 9.11 and in Section 9.14, a resolution proposed at a meeting of Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 9 at which two (2) or more Receiptholders are present in person or by proxy, representing not less than in the aggregate 10% of the number of Subscription Receipts then outstanding and passed by the affirmative votes of Receiptholders holding more than 66 2/3% of the outstanding Subscription Receipts represented at the meeting and voted on a poll upon such resolution.
- (b) Notwithstanding Section 9.11(a), if, at any meeting called for the purpose of passing a special resolution, at least two (2) Receiptholders holding not less than in the aggregate 10% of the then outstanding Subscription Receipts are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 21 days nor more than 60 days later, and to such place and time as may be determined by the chairman. Not less than 10 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 12.2. Such notice shall state that at the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum but it shall

not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting:

- (i) if the special resolution purports to exercise any of the powers conferred pursuant to Sections 9.10(a), 9.10(d), 9.10(j) or 9.10(k) or purports to change the provisions of this Section 9.11 or Section 9.14 or purports to amend, alter or repeal any special resolution previously passed or sanctioned by the Receiptholders in exercise of the powers referred to in this paragraph, a quorum for the transaction of business shall consist of Receiptholders holding more than 10% of the then outstanding Subscription Receipts present in person or by proxy; and
 - (ii) in any other case, a quorum for the transaction of business shall consist of such Receiptholders as are present in person or by proxy.
- (c) At any such adjourned meeting, any resolution passed by the requisite votes as provided in Section 9.11(a) shall be a special resolution within the meaning of this Agreement notwithstanding that Receiptholders holding more than 10% of the then outstanding Subscription Receipts are not present in person or by proxy at such adjourned meeting.
- (d) Votes on a special resolution shall always be given on a poll and no demand for a poll on a special resolution shall be necessary.

9.12 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Agreement stated to be exercisable by the Receiptholders by special resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Receiptholders to exercise such powers or combination of powers then or thereafter from time to time.

9.13 Minutes

Minutes of all resolutions and proceedings at every meeting of Receiptholders shall be made and duly entered in books to be provided from time to time for that purpose by the Subscription Receipt Agent, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had or by the chairman or secretary of the next succeeding meeting held 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 convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

9.14 Instruments in Writing

Subject to receiving the consent of such persons as may otherwise be required by this Article 9 in connection with the taking of any action or the exercise of any power by Receiptholders, all actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as provided in this Article 9 may also be taken and exercised by an instrument in writing signed in one or more counterparts by such Receiptholders in person or by an attorney duly appointed in writing, by one or more Receiptholders holding more than 66 2/3% of the then outstanding Subscription Receipts with respect to a special resolution, and the expression "**special resolution**" when used in this Agreement shall include an

instrument so signed by one or more Receiptholders holding more than 66 2/3% of the then outstanding Subscription Receipts.

9.15 Binding Effect of Resolutions

Every resolution and every special resolution passed in accordance with the provisions of this Article 9 at a meeting of Receiptholders shall be binding upon all the Receiptholders, whether present at or absent from such meeting, and every instrument in writing signed by Receiptholders in accordance with Section 9.14 shall be binding upon all the Receiptholders, whether signatories thereto or not, and each and every Receiptholder and the Subscription Receipt Agent shall be bound to give effect accordingly to every such resolution and instrument in writing.

ARTICLE 10 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR PERSONS

10.1 Provision for Supplemental Agreements for Certain Purposes

From time to time the Corporation, Cresco, the Joint Bookrunner and the Subscription Receipt Agent may, subject to the provisions hereof and subject to regulatory approval, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, agreements supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable by the Subscription Receipt Agent, provided that such changes are not prejudicial to the interests of the Receiptholders based on the opinion of counsel to the Corporation;
- (b) giving effect to any special resolution passed as provided in Article 9;
- (c) evidencing the succession, or the successive successions, of any other person to the Corporation and the assumption by such successor of the covenants of, and obligations of the Corporation under this Agreement in accordance with Section 10.2;
- (d) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Corporation, prejudicial to the interests of the Receiptholders;
- (e) adding to or altering the provisions hereof in respect of the transferability of Subscription Receipts, making provision for the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- (f) modifying any of the provisions of this Agreement, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Corporation, such modification or relief in no way prejudices any of the rights of the Receiptholders or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any such

supplemental agreement which in its opinion (acting reasonably) may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and

- (g) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Corporation, the rights of the Subscription Receipt Agent and of the Receiptholders are in no way prejudiced thereby.

10.2 Successor Persons

If, prior to the Escrow Release Date, the Corporation is consolidated, amalgamated or merged with or into any other person or converts or transfers all or substantially all of the properties and assets of the Corporation in their entirety to another person, the successor person or persons formed by such consolidation or amalgamation or into which the Corporation shall have been merged or which shall have received a conveyance or transfer as set out above shall, as a condition precedent to any such transaction, agree to succeed to and be substituted for the Corporation under this Agreement by supplemental agreement with the same effect as nearly as may be possible as if it had been named herein and shall deliver the executed supplemental agreement to the Subscription Receipt Agent. Such changes may be made in the Subscription Receipts as may be appropriate and necessary in view of such consolidation, amalgamation, merger, conveyance or transfer without the need for any approval of the Receiptholders.

ARTICLE 11 CONCERNING THE SUBSCRIPTION RECEIPT AGENT

11.1 Rights and Duties of Subscription Receipt Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Subscription Receipt Agent from liability for its own gross negligence or wilful misconduct.
- (b) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders furnishing, when required by notice by the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to 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 Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription

Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.

- (d) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of this Section 11.1 and of Section 11.2.
- (e) The Subscription Receipt Agent shall not be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in the absence of any such notice, the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default.
- (f) The Subscription Receipt Agent shall have no duties except those expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of, this Agreement, unless received by it in writing and signed by the other parties hereto and, if its duties herein are affected, unless it shall have given its prior written consent thereto.
- (g) The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the deficiency, correctness, genuineness or validity of any securities deposited with it.
- (h) The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement, which documentation does not require the exercise of any discretion or independent judgment.
- (i) Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of applicable law.
- (j) The Subscription Receipt Agent shall not be liable to account to anyone for the profit it may receive, if any, while holding the Escrowed Proceeds, subject to compliance with this Agreement.

11.2 Evidence, Experts and Advisers

- (a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Corporation shall furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as the Subscription Receipt Agent may reasonably require by written notice to the Corporation.
- (b) In the exercise of its rights and duties hereunder, the Subscription Receipt Agent may, if it is acting in good faith, act and rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence

furnished to the Subscription Receipt Agent pursuant to any provision hereof or pursuant to a request of the Subscription Receipt Agent.

- (c) Whenever it is provided in this Agreement that the Corporation shall deposit with the Subscription Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Subscription Receipt Agent take the action to be based thereon.
- (d) Proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Subscription Receipt Agent may consider adequate.
- (e) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.
- (f) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from counsel, or any accountant, appraiser, or other expert or advisor, whether retained or employed by the Corporation or by the Subscription Receipt Agent with respect to any matter arising in relation to the Agreement.
- (g) The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Subscription Receipt Agent.

11.3 Securities, Documents and Monies Held by Subscription Receipt Agent

Any securities, documents of title, monies or other instruments that may at any time be held by the Subscription Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or invested in any Investments. Any monies so held pending the application or withdrawal thereof under any provisions of this Agreement may be deposited or invested in the name of the Subscription Receipt Agent in any Investments, or in the deposit department of the Subscription Receipt Agent.

11.4 Actions by Subscription Receipt Agent to Protect Interest

The Subscription Receipt Agent shall have the power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Receiptholders.

11.5 Subscription Receipt Agent not Required to Give Security

The Subscription Receipt Agent shall not be required to give any bond or security in respect of the execution of this Agreement or otherwise in respect of the premises.

11.6 Protection of Subscription Receipt Agent

By way of supplement to the provisions of any law for the time being relating to agents it is expressly declared and agreed as follows:

- (a) the Subscription Receipt Agent shall not be liable for or by reason of any statements of fact in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 11.8 or in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates) or be required to verify the same, but all such statements are and shall be deemed to be made by the Corporation;
- (b) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;
- (c) the Subscription Receipt Agent shall not be bound to give notice to any person or persons of the execution hereof;
- (d) the Subscription Receipt Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any Directors, officers, employees, agents or servants of the Corporation;
- (e) the Subscription Receipt Agent shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;
- (f) notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages;
- (g) in addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Corporation shall indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the "**Indemnified Parties**") and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or

thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent's duties hereunder, and including any services that the Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from Subscription Receipt Agent's gross negligence, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Corporation. Notwithstanding any other provision hereof, the Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Subscription Receipt Agent and the termination or discharge of this Agreement; and

- (h) notwithstanding the foregoing or any other provision of this Agreement, any liability of the Subscription Receipt Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Subscription Receipt Agent under this Agreement in the 12 months immediately prior to the Subscription Receipt Agent receiving the first notice of the claim.

11.7 Replacement of Subscription Receipt Agent; Successor by Business Combination

- (a) The Subscription Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 11.7, by giving to the Corporation and to the Joint Bookrunners not less than 30 days' prior notice in writing or such shorter prior notice as the Corporation and the Joint Bookrunners may accept as sufficient. The Receiptholders by special resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new subscription receipt agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Joint Bookrunners shall forthwith, with the Corporation's prior consent, not to be unreasonably withheld, appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Receiptholders; failing such appointment by the Joint Bookrunners, the retiring Subscription Receipt Agent (at the expense of the Corporation) or any Receiptholder may apply to a court in the Province of Alberta or British Columbia on such notice as such court may direct, for the appointment of a new subscription receipt agent; but any new subscription receipt agent so appointed by the Joint Bookrunners or by the courts of the Provinces of Alberta or Ontario shall be subject to removal as aforesaid by the Receiptholders. Any new subscription receipt agent appointed under any provision of this Section 11.7 shall be a corporation authorized to carry on the business of a trust company in one or more of the Provinces of Ontario, Alberta or British Columbia and, if required by the applicable legislation for any other provinces or territories, in such other provinces or territories. On any such appointment the new subscription receipt agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent hereunder. At the request of the Corporation or the new subscription receipt agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to Section 7.2, shall duly assign, transfer and deliver to the new subscription receipt agent all property and money held and all records kept by the retiring Subscription Receipt Agent hereunder or in connection herewith.

- (b) Upon the appointment of a successor subscription receipt agent, the Corporation shall promptly notify the Receiptholders thereof in the manner provided for in Article 12 hereof.
- (c) Any corporation into or with which the Subscription Receipt Agent may be merged, consolidated or amalgamated, or any corporation resulting therefrom to which the Subscription Receipt Agent shall be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent shall be the successor to the Subscription Receipt Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Subscription Receipt Agent under Section 11.7(a).
- (d) Any Subscription Receipt Certificate certified but not delivered by a predecessor subscription receipt agent may be delivered by the successor subscription receipt agent in the name of the predecessor or successor subscription receipt agent.

11.8 Conflict of Interest

- (a) The Subscription Receipt Agent represents to the Corporation and the Agents that at the time of execution and delivery hereof no material conflict of interest exists between its role as a subscription receipt agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 30 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its appointment as subscription receipt agent hereunder to a successor Subscription Receipt Agent approved by the Corporation and meeting the requirements set forth in Section 11.7(a).
- (b) Notwithstanding Section 11.8(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.
- (c) Subject to Section 11.8(a), the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any affiliated entity of the Corporation without being liable to account for any profit made thereby.

11.9 Acceptance of Appointment

The Subscription Receipt Agent hereby accepts the appointment as subscription receipt agent in this Agreement and agrees to perform its duties hereunder upon the terms and conditions herein set forth. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

11.10 Subscription Receipt Agent Not to be Appointed Receiver

The Subscription Receipt Agent and any person related to the Subscription Receipt Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

**ARTICLE 12
GENERAL**

12.1 Notice to the Corporation, Subscription Receipt Agent and Canaccord

- (a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation, the Joint Bookrunners or the Subscription Receipt Agent shall be deemed to be validly given if delivered by hand courier or by electronic transmission:

- (i) if to the Corporation:

Cresco Labs Finco Ltd.
c/o Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, ON, M5X 1A4

Attention: Charles Bachtell
Email: charlesb@crescolabs.com

with a copy (which shall not constitute notice) to:

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, ON, M5X 1A4

Attention: Aaron Sonshine
Email: sonshinea@bennettjones.com

- (ii) if to Cresco:

Cresco Labs, LLC
520 West Erie Street, Suite #220
Chicago, Illinois 60654
USA

Attention: Charles Bachtell
Email: charlesb@crescolabs.com

with a copy (which shall not constitute notice) to:

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, ON, M5X 1A4

Attention: Aaron Sonshine
Email: sonshinea@bennettjones.com

- (iii) if to the Joint Bookrunners:

Canaccord Genuity Corp.
161 Bay Street, Suite 3000

Toronto, ON M5J 2S1

Attention: Steve Winokur
Email: SWinokur@canaccordgenuity.com

GMP Securities L.P.
145 King Street West, Suite 300
Toronto, ON M5H 1J8

Attention: Steve Ottaway
Email: steveo@gmpsecurities.com

with a copy to (which shall not constitute notice):

Stikeman Elliott LLP
5300 Commerce Court West, 199 Bay Street
Toronto, ON M5L 1B9

Attention: Martin Langlois
Email: mlanglois@stikeman.com

(iv) if to the Subscription Receipt Agent:

Odyssey Trust Company
Stock Exchange Tower 350 – 300 5th Ave SW
Calgary, Alberta, T2P 3C4

Attention: Dan Sander
Email: dsander@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if delivered by electronic transmission, on the day of transmission or, if such day is not a Business Day, on the first Business Day following the day of transmission. Accidental error or omission in giving notice or accidental failure to mail notice to any Receiptholder will not invalidate any action or proceeding founded thereon.

- (b) The Corporation, the Agents or the Subscription Receipt Agent, as the case may be, may from time to time notify the other in the manner provided in Section 12.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation, the Agents or the Subscription Receipt Agent, as the case may be, for all purposes of this Agreement.

12.2 Notice to Receiptholders

- (a) Unless herein otherwise expressly provided, any notice to the Receiptholders under the provisions of this Agreement shall be valid and effective if delivered or sent by letter or circular through the ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five (5) Business Days following actual posting of the notice.

- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receiptholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receiptholders or if delivered to the address for such Receiptholders contained in the register of Subscription Receipts maintained by the Subscription Receipt Agent.
- (c) All notices to joint Receiptholders may be given to whichever one of the holders thereof is named first in the appropriate register hereinbefore mentioned, and any notice so given shall be sufficient notice to all such joint Receiptholders.

12.3 Ownership of Subscription Receipts

The Corporation and the Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipt Certificate or, in the case of a transferee who has surrendered a Subscription Receipt Certificate in accordance with and as contemplated in Sections 3.3 and 3.5, such transferee, as the absolute owner of the Subscription Receipt represented thereby for all purposes, and the Corporation and the Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Receiptholder shall be entitled to the rights herein free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such Receiptholder for the Underlying Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Subscription Receipt Agent for the same and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.

12.4 Satisfaction and Discharge of Agreement

Upon the earliest of:

- (a) the issuance of the Underlying Shares to all Receiptholders as provided in Section 3.3(a) and the payment of monies required to be paid to the Corporation and the Agents pursuant to Section 3.2; or
- (b) the payment of all monies required where a Termination occurs as provided in Section 3.5(d),

this Agreement shall cease to be of further effect and the Subscription Receipt Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Subscription Receipt Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Agreement.

12.5 Sole Benefit of Parties and Receiptholders

Nothing in this Agreement or in the Subscription Receipt Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or

provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Receiptholders.

12.6 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, 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 Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 12.6.

12.7 Time of Essence

Time is and shall remain of the essence of this Agreement.

12.8 Counterparts

This Agreement may be executed and delivered in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. The parties hereto further acknowledge and agree that facsimile or electronic (such as pdf document format) signatures on this Agreement will be valid and binding as if this Agreement had been executed in original by each of the parties hereto.

12.9 Amendment

This Agreement may be amended or modified in any respect by written instrument only if executed by each of the parties hereto.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first written above.

CRESCO LABS FINCO LTD.

By: (signed) Charles Bachtell
Authorized Signatory

CRESCO LABS, LLC

By: (signed) Charles Bachtell
Authorized Signatory

CANACCORD GENUITY CORP.

By: (signed) Steve Winokur
Authorized Signatory

GMP SECURITIES L.P.

By: (signed) Steve Ottaway
Authorized Signatory

ODYSSEY TRUST COMPANY

By: (signed) Dan Sander
Authorized Signatory

By: (signed) Jenna Kaye
Authorized Signatory

SCHEDULE "A"
FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

"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) NOVEMBER 26, 2018, AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

[U.S. Legend: Include the following legend as set forth in Section 2.1(e) of the Subscription Receipt Agreement if Subscription Receipt is issued to, or for the account or benefit of, a non-U.S. Purchaser, or a U.S. Purchaser that is a qualified institutional buyer.]

"THESE SECURITIES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (2) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND, IN EACH CASE, IN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES LAWS, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT."

[U.S. Legend: Include the following legend as set forth in Section 2.1(d) of the Subscription Receipt Agreement if Subscription Receipt is issued to, or for the account or benefit of, a U.S. Purchaser.

"THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, OR (B) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A "U.S. PERSON" (AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS."

CRESCO LABS FINCO LTD.

(A corporation governed by the laws of British Columbia)

Number: [●]

THIS IS TO CERTIFY THAT [●] (the "holder") is the registered holder of [●] Subscription Receipts represented hereby.

The Subscription Receipts represented by this subscription receipt certificate (this "**Certificate**") are issued pursuant to a subscription receipt agreement (the "**Agreement**") dated November 26, 2018 among Cresco Labs Finco Ltd. (the "**Corporation**"), Cresco Labs, LLC, Canaccord Genuity Corp., GMP Securities L.P. and Odyssey Trust Company (the "**Subscription Receipt Agent**").

Capitalized terms used in the Agreement have the same meanings herein as therein, unless otherwise defined herein.

Each Subscription Receipt entitles the holder:

- (a) provided that the Escrow Release Time occurs on or before 5:00 p.m. (Toronto time) on March 26, 2019, the date that is 120 days following the Closing Date (the "**Escrow Release Deadline**"), to receive automatically, without any further action required by such holder and without the payment of any additional consideration at the Escrow Release Time one (1) fully paid and non-assessable common share in the capital of the Corporation (an "**Underlying Share**"); or
- (b) in the event a Termination occurs, at the Termination Payment Time, to receive out of the Escrowed Proceeds or, if the Escrowed Proceeds are insufficient, from the Corporation, an amount equal to the aggregate Subscription Price in respect of such holder's Subscription Receipts together with such holder's *pro rata* share of Earned Interest, less applicable withholding taxes, if any. To the extent that the Escrowed Proceeds are insufficient to refund to each holder of Subscription Receipts an amount equal to the aggregate Subscription Price of the Subscription Receipts held by them (plus their *pro rata* share of the Earned Interest), the Corporation shall be responsible and liable to the Receiptholders and shall contribute such amounts as are necessary to satisfy any Shortfall such that each holder of Subscription Receipts will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held plus their *pro rata* share of the Earned Interest, less applicable withholding taxes, if any. In no case will the Subscription Receipt Agent or the Agents be liable to the Receiptholders in the event of a Shortfall.

The holder acknowledges and agrees that certificates for the Underlying Shares will not be issued and that each Underlying Share issued on conversion of the Subscription Receipts evidenced hereby are to be immediately exchanged pursuant to the Amalgamation Agreement for one (1) Resulting Issuer Share of the Resulting Issuer, and if the holder received this Certificate, such holder will receive certificates for such Resulting Issuer Shares.

This Certificate also evidences the receipt by the Corporation of the Subscription Price of \$8.50 for each Subscription Receipt represented hereby, which funds, less certain fees and expenses of the Offering, shall be delivered in escrow to the Subscription Receipt Agent, pursuant to the Agreement.

The Subscription Receipts represented hereby are issued under and pursuant to the Agreement. Reference is hereby made to the Agreement and any and all other instruments supplemental or ancillary thereto for a full description of the rights of the Receiptholders and the terms and conditions upon which such Subscription Receipts are, or are to be, issued and held, all to the same effect as if the provisions of the Agreement and all instruments supplemental or ancillary thereto were herein set forth, and to all of which provisions the holder of these Subscription Receipts by acceptance hereof assents. In the event of a conflict or inconsistency between the terms of the Agreement and this Certificate, the terms of the Agreement shall prevail.

The holding of the Subscription Receipts evidenced by this Certificate shall not constitute the holder hereof a shareholder of the Corporation or entitle such holder to any right or interest in respect thereof except as herein and in the Agreement expressly provided. The Agreement provides for adjustment in the number of Underlying Shares to be issued upon the exchange of the Subscription Receipts, evidenced by this Certificate upon the occurrence of certain events set forth therein.

The holder of this Certificate is cautioned that in the event that the Subscription Receipts are deemed to be cancelled, a cheque will be mailed to the latest address of record of the registered holder.

The Subscription Receipts evidenced by this Certificate and the Underlying Shares issuable pursuant to the Subscription Receipts 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 the securities laws of any state of the United States. All or any portion of the Subscription Receipts represented by this Certificate may not be offered, sold or pledged or otherwise transferred in the United States (as defined in Regulation S under the U.S. Securities Act) except in limited circumstances contemplated in the Subscription Receipt Agreement.

The Agreement contains provisions making binding upon all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and by instruments in writing signed by the holders of a specified majority of the outstanding Subscription Receipts.

This Certificate shall not be valid for any purpose whatever unless and until it has been countersigned by or on behalf of the Subscription Receipt Agent.

After the Escrow Release Time, this Certificate and all rights hereunder, other than the right to receive the Underlying Shares, will be void and of no further value or effect.

Time shall be of the essence hereof. This Certificate is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized representatives as of November 26, 2018.

CRESO LABS FINCO LTD.

By: _____
Authorized Signatory

Countersigned this November 26, 2018.

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

SCHEDULE "B"
FORM OF ESCROW RELEASE NOTICE

TO: Odyssey Trust Company (the "**Subscription Receipt Agent**")

Reference is made to the subscription receipt agreement dated as of November 26, 2018 among Cresco Labs Finco Ltd., Cresco Labs, LLC, Canaccord Genuity Corp. ("**Canaccord**"), GMP Securities L.P. (together with Canaccord, the "**Joint Bookrunners**") and the Subscription Receipt Agent (the "**Subscription Receipt Agreement**"). All capitalized terms used herein without definition having the meanings specified thereto in the Subscription Receipt Agreement.

In accordance with the provisions of the Subscription Receipt Agreement, the Corporation hereby confirms that the Escrow Release Conditions, other than the delivery of the Escrow Release Notice, have been satisfied.

In accordance with Section 3.2 of the Subscription Receipt Agreement, you are hereby irrevocably directed and authorized, in your capacity as Subscription Receipt Agent, to release the Escrowed Proceeds as follows:

- (a) \$[●] to be retained for your outstanding fees and expenses;
- (b) as to \$[●] to the Joint Bookrunners, for and on behalf of the Agents, representing the Escrowed Agents' Commission and Earned Interest thereon, plus the Agents' Expenses incurred after the Closing Date, by means of a wire transfer to the following account; and
- (c) as to the balance to the Corporation by wire transfer to the following account:

[The remainder of this page is intentionally left blank.]

The foregoing notice and direction, which may be signed in counterparts and delivered electronically, is irrevocable and shall constitute your good and sufficient authority for making such payments and issuances as directed above.

DATED the _____ day of _____, 2018.

CRESCO LABS FINCO LTD.

By: _____
Authorized Signatory

CRESCO LABS, LLC

By: _____
Authorized Signatory

CANACCORD GENUITY CORP.

By: _____
Authorized Signatory

GMP SECURITIES L.P.

By: _____
Authorized Signatory

SCHEDULE "C"
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **CRESCO LABS INC.**

AND TO: The registrar and transfer agent for the securities of CRESCO LABS INC.

The undersigned (A) acknowledges that the sale of the securities of Cresco Labs Inc. (the "**Corporation**") 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**" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "**distributor**" or an affiliate of "**distributor**", (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 the transaction was executed on or through the facilities of a "**designated offshore securities market**" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) 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) neither the seller nor any affiliate of the seller nor 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 described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act 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. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____ 20_____.

By: _____
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer _____, (the "**Seller**") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of the Canadian Securities Exchange or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Name of Firm

By: _____
Authorized officer

Date: _____

Please ensure that all signatures are Medallion Guaranteed.