UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 3, 2024

Commission file number 000-56021

ACREAGE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

British Columbia, Canada			**98-1463868**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
366 Madison Ave, 14th floor	**New York**	**New York**	**10017**
(Address of Principal Executive Offices)			(Zip Code)

(646) 600-9181

Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class E subordinate voting shares	ACRHF	OTC Markets Group Inc.
Class D subordinate voting shares	ACRDF	OTC Markets Group Inc.

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

Amended and Restated Credit Agreement

As previously disclosed, Acreage Holdings, Inc. (the "Company" or "Acreage"), as parent, High Street Capital Partners, LLC ("HSCP"), as borrower, the other loan parties thereto from time to time, the lenders party thereto from time to time, AFC Agent LLC ("AFC Agent" and together with the AFC Lenders, as defined below, the "AFC Parties") and VRT Agent LLC ("VRT Agent" and together with VRT, as defined below, the "VRT Parties"), are parties to a credit agreement, dated as of December 16, 2021, as amended on October 24, 2022 and April 28, 2023 (the "Existing Acreage Credit Agreement").

11065220 Canada Inc. (the "Optionor"), a wholly-owned subsidiary of Canopy Growth Corporation ("Canopy Growth"), AFC Gamma, Inc. ("AFCG"), AFC Institutional Fund LLC ("AFCI" and together with AFCG, the "AFC Lenders") and Viridescent Realty Trust, Inc. ("VRT" and together with the AFC Lenders, the "Acreage Lenders") are parties to an option agreement, dated November 15, 2022 (the "Option Agreement"), whereby the Optionor has the right to acquire all of the interests of the Acreage Lenders under the Existing Acreage Credit Agreement. Pursuant to the Option Agreement, the Optionor previously deposited US$28.5 million (the "Option Premium") into an interest-bearing escrow account.

On June 3, 2024, the Optionor entered into an assignment and acceptance agreement (the "AFC Assignment Agreement") with the AFC Parties in order to acquire all of the AFC Parties' rights in and interest to all obligations owing to the AFC Parties pursuant to the Existing Acreage Credit Agreement in an aggregate amount equal to approximately US$99.8 million (the "AFC Obligations"). As consideration for the acquisition of the AFC Obligations by the Optionor, pursuant to a direction by, among others, the Optionor, the AFC Parties and the VRT Parties, the Optionor and the VRT Parties agreed to release the Option Premium, plus all accrued interest thereon, to the AFC Parties and the Optionor made a cash payment of approximately US$69.8 million to the AFC Parties.

On June 3, 2024, the Optionor also entered into a commitment letter (the "Commitment Letter") with VRT. Pursuant to the terms of the Commitment Letter, VRT agreed, among other things, to (i) retain its interest in the Existing Acreage Credit Agreement, (ii) capitalize certain overdue amounts, including interest, owing pursuant to the Existing Acreage Credit Agreement, (iii) release the Option Premium, plus all accrued interest thereon, to the AFC Parties, and (iv) become the sole agent under the A&R Credit Agreement, as defined below.

On June 3, 2024, the Company, HSCP, as borrower, the Optionor, VRT Agent and the loan parties thereto from time to time, entered into an amended and restated credit agreement (the "A&R Credit Agreement"). The A&R Credit Agreement will continue to bear interest at a variable rate of U.S. prime ("Prime") plus 5.75% per annum, payable monthly in arrears, with a Prime floor of 5.50%, and a maturity date of January 1, 2026. Interest under the A&R Credit Agreement will be payable in cash or in kind, at the Company's election, through November 30, 2024.

The foregoing description of the A&R Credit Agreement is qualified in its entirety by reference to the full text of the A&R Credit Agreement filed as Exhibit 10.1 to this Current Report on Form 8-K (this "Current Report").

On June 4, 2024, the Company issued a press release announcing the A&R Credit Agreement. A copy of the press release is attached to this Current Report as Exhibit 99.1.

Private Placement

On June 5, 2024, Acreage entered into a Subscription Agreement (the "Subscription Agreement") with certain institutional investors (collectively, the "Investors") pursuant to which the Company agreed sell to the Investors 12,000 units (the "Units") of the Company in a private placement (the "Private Placement") at a price of US$833.33 per Unit, for gross proceeds to the Company of US$10 million (the "Funded Amount"). The Private Placement closed on June 6, 2024 (the "Closing Date"). After the payment of the fees payable to the placement agents and estimated offering expenses payable by the Company in connection with the Private Placement, the Company received net proceeds of approximately $9.2 million. The net proceeds from the Private Placement were deposited into a segregated account and the Company intends to use the net proceeds for general corporate purposes.

Each Unit consists of: (i) US$1,000 principal amount of non-recourse unsecured convertible notes (the "Notes"), reflecting a 16.67% original issue discount, convertible into that number of Class E subordinate voting shares of the Company (the "Fixed Shares" and such Fixed Shares issuable upon conversion of the Notes, the "Underlying Note Shares")) at the Conversion Price (as defined below); and (ii) Fixed Share purchase warrants (the "Warrants"), with each Warrant exercisable to acquire one Fixed Share at the Exercise Price (as defined below) (such Fixed Shares issuable upon exercise of the Warrants, the "Underlying Warrant Shares", and the Underlying Warrant Shares together with the Underlying Notes Shares, the "Underlying Shares") at any time and from time to time after the date that Canopy or Canopy USA, as the case may be, acquires of all of the issued and outstanding Fixed Shares in accordance with the Fixed Share Arrangement and one or before June 5, 2029. The number of Warrants to be issued to each Investor shall be the quotient obtained by dividing the aggregate US$10 million subscription amount of the Units by the Exercise Price.

The Notes will not bear interest.

The "Conversion Price" of the Notes is the price per Fixed Share determined by multiplying (i) the Exchange Ratio (as such term is defined in Fixed Share Arrangement Agreement) as the same shall be adjusted in accordance with the terms of the Fixed Share Arrangement Agreement by, (ii) the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the common shares of Canopy Growth (the "Canopy Shares") on the business day prior to the closing of the Fixed Share Acquisition after giving effect to the conversion of the Notes and the determination of the number of Warrants issued in the Private Placement. The Conversion Price shall be determined at the closing of the Fixed Share Acquisition.

The "Exercise Price" of the Warrants shall equal the Conversion Price; provided, however, that in the event that the Put Right (as defined below) is exercised, the Exercise Price shall be not less than US$0.375.

In connection with the Private Placement, each Investor entered into a put agreement with Canopy USA, LLC ("Canopy USA"), pursuant to which such Investor has the right (the "Put Right") to require Canopy USA to purchase the Notes and the Warrants subscribed for by it under the Private Placement if (i) the Fixed Share Acquisition is not completed before the date that is 15 months from the Closing Date (the "Maturity Date"), (ii) if the Fixed Share Acquisition is terminated at any time prior to the Maturity Date, or (iii) if the Company is subject to an insolvency event.

If the Acquisitions (as defined below) are completed before the Maturity Date: (i) each Note will be automatically converted immediately prior to the completion of the Fixed Share Acquisition at the Conversion Price; and (ii) each Warrant shall be exercisable for such number of Canopy Shares as the holder thereof would have been entitled to receive in accordance with the terms of the Fixed Share Arrangement Agreement (as defined below) had the holder exercised the Warrants prior to the closing of the Fixed Share Acquisition. If the Fixed Share Acquisition is not completed by the Maturity Date and, provided that the Put Right has been exercised, the outstanding Notes shall thereafter only represent an unsecured payment obligation of the principal amount thereof by Company in favor of Canopy USA.

While the number of Fixed Shares issuable upon conversion or exercise, as applicable, of the Notes and the Warrants remains unknown at this time, the completion of the Private Placement is expected to result in significant dilution of the Fixed Shares, particularly given that the Conversion Price of the Notes is based on the Exchange Ratio, which will be adjusted pursuant to the Fixed Share Arrangement Agreement for issuances in excess of the Purchaser Approved Share Threshold (as such term is defined in the Fixed Share Arrangement Agreement). The Private Placement is expected to result in the issuance of Fixed Shares under the Notes, and Warrants exercisable to acquire Fixed Shares, at the time of closing the Fixed Share Arrangement (as defined below), well in excess of the Purchaser Approved Share Threshold, with the effect that the Exchange Ratio will be significantly reduced. The Exchange Ratio reduction is expected to have a material and adverse effect on the number of Canopy Shares that holders of Fixed Shares could receive pursuant to the Fixed Share Arrangement Agreement may have a material and adverse effect on the value of the Fixed Shares.

The following table below sets forth the potential Exchange Ratio based on a range of Canopy Share prices during the previous 52-week period after giving effect to the Private Placement:

Canopy Share Price (US$)	**Fixed Share Exchange Ratio**
US$5.00	≈ 0.00000
US$6.00	0.00190
US$7.00	0.00656
US$8.00	0.01005
US$9.00	0.01277
US$10.00	0.01494
US$11.00	0.01672
US$12.00	0.01821
US$13.00	0.01946
US$14.00	0.02054
US$15.00	0.02147
US$16.00	0.02228
US$17.00	0.02300
US$18.00	0.02364
US$19.00	0.02421

While the above chart shows indicative potential adjustment to the Fixed Share Exchange Ratio at the closing of the Fixed Share Acquisition (based on the number of Fixed Shares and securities convertible into or exercisable to acquire Fixed Shares, as of the date hereof), it assumes there have been no further actions taken by the Company to address the potential significant dilution and related impact on the Exchange Ratio.

Furthermore, as a result of the potential significant dilution of the Fixed Shares as described above, the Private Placement may result in the creation of a new Control Person (as defined in the policies of the Canadian Securities Exchange ("CSE")), and, as a result, the Private Placement may be deemed to have Materially Affected Control (as defined in the policies of the CSE) of the Company. The Conversion Price of the Notes may also be lower than the market price of the Fixed Shares at such time less the Maximum Permitted Discount (as defined in the policies of the CSE). The Exercise Price of the Warrants may also be lower than the market price of the Fixed Shares as of the date hereof. The Company confirms that it has been granted approval by the CSE to avoid seeking securityholder approval for the Private Placement and the potential creation of a new Control Person in reliance on the exceptions outlined in section 4.6(2)(b) of CSE Policy 4, as the Company is in serious financial difficulty. No related person of the Company participated in the Private Placement.

The foregoing descriptions of the Notes, Warrants, and the Subscription Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which are attached to this Current Report as Exhibits 4.1, 4.2 and 10.2, respectively, and are incorporated herein by reference.

The Notes, the Warrants and the Underlying Shares have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction. The Notes, the Warrants and the Underlying Shares may not be offered or sold in the United States absent registration or an applicable exemption from registration under the Securities Act and any applicable state securities laws. The Notes, the Warrants and the Underlying Shares were offered and sold to the Investors in transactions exempt from registration under the Securities Act in reliance on Section 4(a)(2) thereof and Rule 506(b) of Regulation D thereunder. The Investors are each an "accredited investor"as defined in Regulation D, and acquired the Notes and the Warrants, and will acquire the Underlying Shares, for investment purposes only, and not with a view towards, or for resale in connection with, the public sale or distribution thereof.

On June 5, 2024, the Company issued a press release announcing the Private Placement and on June 6, 2024, the Company issued a press release announcing the closing of the Private Placement. A copy of the press releases are attached to this Current Report as Exhibits 99.2 and 99.3, respectively.

This Current Report does not, and the exhibits attached hereto do not, constitute an offer to sell any security, including the Notes, the Warrants or any Underlying Shares, nor a solicitation for an offer to purchase any security, including the Notes, the Warrants or any Underlying Shares, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration, qualifications, or exemption under the securities laws of any such jurisdiction.

Item 2.03 Creation of a Direct Financial Obligation.

The disclosures set forth in Item 1.01 of this Current Report regarding the issuance of the Notes are incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosures set forth in Item 1.01 of this Current Report regarding the issuance of the Notes and the Warrants are incorporated by reference into this Item 3.02.

Item 8.01 Other Events.

Call Option Exercise Notice

As previously disclosed, Acreage and Canopy Growth are parties to an arrangement agreement, dated April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020 (the "Fixed Share Arrangement Agreement"). Acreage and Canopy Growth implemented the plan of arrangement set forth in the Fixed Share Arrangement Agreement on September 23, 2020 (the "Fixed Share Arrangement") pursuant to which, among other things, the Canopy Growth acquired the option (the "Fixed Share Call Option") to acquire all of the issued and outstanding Fixed Shares (the "Fixed Share Acquisition"), the completion of which remains subject to certain closing conditions, including, among other things, the satisfaction or waiver of the Purchaser Acquisition Closing Conditions (as defined in the Fixed Share Arrangement Agreement).

Acreage, Canopy Growth and Canopy USA are also parties to an arrangement agreement, dated October 24, 2022, as amended on March 17, 2023, May 31, 2023, August 31, 2023, October 31, 2023, December 29, 2023, March 29, 2024, April 25, 2024 and May 8, 2024 (the "Floating Share Arrangement Agreement"), pursuant to which Canopy USA has agreed to acquire all of the issued and outstanding Class D subordinate voting shares of Acreage (the "Floating Shares") pursuant to a plan of arrangement set out in the Floating Share Arrangement Agreement (the "Floating Share Arrangement"). The completion of the

Floating Share Arrangement (the "Floating Share Acquisition" and together with the Fixed Share Acquisition, the "Acquisitions") is subject to certain closing conditions, including, among other things, the satisfaction or waiver of the closing conditions contained in the Fixed Share Arrangement Agreement.

On June 3, 2024, the Fixed Share Call Option was exercised in accordance with the terms of the Fixed Share Arrangement Agreement. Upon closing of the Acquisitions, Canopy USA will own 100% of the Fixed Shares and Floating Shares and in connection therewith, Acreage would become a wholly owned subsidiary of Canopy USA. Closing of the Acquisitions remain subject to all of the closing conditions set forth in the Fixed Share Arrangement Agreement and the Floating Share Arrangement Agreement. There can be no certainty, nor can the Company provide any assurance, that all conditions precedent will be satisfied or waived, which may result in the Acquisitions not being completed.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

Exhibit No.	**Description**
4.1	Form of Non-Recourse Unsecured Convertible Note Certificate
4.2	Form of Warrant to Purchase Class E Subordinate Voting Shares of Acreage Holdings, Inc.
10.1	Amended and Restated Credit Agreement by and among High Street Capital Partners, LLC, as Borrower, Acreage Holdings, Inc, as Parent, the other loan parties that are parties hereto, the lenders that are party hereto, as lenders and VRT Agent LLC, as Agent dated as of June 3, 2024
10.2	Form of Subscription Agreement
99.1	Press Release, dated June 4, 2024
99.2	Press Release, dated June 5, 2024
99.3	Press Release, dated June 6, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ACREAGE HOLDINGS, INC.

Date: June 7, 2024

/s/ Corey Sheahan

Corey Sheahan

Executive Vice President, General Counsel and Secretary

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF 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 AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

NON-RECOURSE UNSECURED CONVERTIBLE NOTE CERTIFICATE

ACREAGE HOLDINGS, INC.

(Incorporated under the laws of the Province of British Columbia)

CERTIFICATE NO. 2024-[-] **PRINCIPAL AMOUNT: US$[-]**
PURCHASE PRICE: US$[-]

ACREAGE HOLDINGS, INC. (the "**Company**"), for value received, hereby acknowledges itself indebted to [-] (hereinafter referred to as the "**Noteholder**") from June [-], 2024 (the "**Issue Date**") in accordance with the terms set out in Appendix A attached hereto (the "**Terms and Conditions**"). The Principal Amount (as specified above) is subject to a 16.67% original issue discount (an "**OID**") equal to US$1,066,688.00. This Note shall not bear interest. This Note is issued upon and subject to the Terms and Conditions.

In the event that the Transaction (as defined herein) is completed prior to 5:00p.m. (Toronto Time) on the Maturity Date (as defined herein), the outstanding Principal Amount under this Note (as defined herein) will be deemed to be automatically converted, without any action on the part of the Noteholder, into Fixed Shares (as defined herein) (the "**Conversion Shares**"), at the Conversion Price (as defined herein), subject to adjustment as hereinafter provided, immediately prior to the completion of the Transaction (an "**Automatic Conversion**").

Upon the occurrence of an Automatic Conversion, all obligations of the Company, under, pursuant to, or otherwise in connection with this Note, direct, indirect, contingent or otherwise (the "**Obligations**") shall be satisfied by the Company issuing the Conversion Shares to the Noteholder in accordance with the terms of this Note. For greater certainty, and without limiting the previous sentence or any other terms of this Note pertaining to the discharge of the Obligations, upon the issuance of the Conversion Shares in accordance with the terms of this Note, all Obligations shall immediately and automatically be considered satisfied in full and this Note shall be considered terminated without the requirement for any further action by, or notice to, any Person.

If the Transaction has not closed by the Maturity Date, and provided that the transfer of this Note has been completed upon the exercise of the Put Right (as defined herein) in accordance with the terms of the Put Agreement (as defined herein), on the 30th day following the Maturity Date, this Note shall thereafter only represent an unsecured payment obligation of the Principal Amount of this Note by Company. In the event that the Transaction has not closed on or prior to the Maturity Date, and the Put Right has not been exercised, this Note shall represent a right to receive an indeterminate number of Fixed Shares so long as the Put Right remains unexercised. Prior to the exercise of the Put Right and the transfer of this Note in accordance with the terms of the Put Agreement, nothing is intended to create, nor shall it be construed as creating, a payment obligation of the Company in respect of this Note.

All non-recourse unsecured convertible notes issued pursuant to the Offering, all of which shall be on substantially similar terms, as amended from time to time in an aggregate principal of US$12,000,000, are collectively referred to in this Note as the "**Notes**".

[***Remainder of page intentionally left blank. Signature page follows.***]

IN WITNESS WHEREOF, the Company has caused this Note to be issued under the signature of a properly authorized officer of the Company.

DATED for reference this [-]th day of June, 2024.

ACREAGE HOLDINGS, INC.

Per: _____

Authorized Signing Officer

ACKNOWLEDGED AND AGREED this [-]th day of June, 2024.

[-]

Per: _____

Authorized Signing Officer

APPENDIX A

TERMS AND CONDITIONS FOR NOTE

Article 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Note, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings set out below.

(a) "**Applicable Securities Laws**" means, collectively, means, the Canadian Securities Laws, the U.S. Securities Laws and all applicable securities laws in each of the jurisdictions in which the Notes (and the securities underlying the Notes) are issued and acquired and the respective rules and regulations thereunder, together with applicable published policy statements, instruments, notices, orders and rulings of the securities regulatory authorities in such jurisdictions.

(b) "**Automatic Conversion**" shall have the meaning set forth on the face page of this Note Certificate.

(c) "**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario or New York, New York.

(d) "**Canadian Securities Laws**" means collectively, the applicable securities laws of each of the provinces and territories of Canada, their respective regulations, rulings, rules, orders (including blanket orders and discretionary orders), instruments (including national and multilateral instruments), fee schedules and prescribed forms thereunder, the applicable policy statements issued by the Securities Commissions or similar authority thereunder and the rules and policies of the Exchange.

(e) "**Canopy**" means Canopy Growth Corporation, a corporation organized under the federal laws of Canada.

(f) "**Canopy Shares**" means common shares in the capital of Canopy as constituted on the date hereof.

(g) "**Canopy USA**" means Canopy USA, LLC, a limited liability company existing under the laws of State of Delaware.

(h) "**Company**" means Acreage Holdings, Inc., and its successors and assigns.

(i) "**Conversion Date**" shall mean the date that the Automatic Conversion occurs, being the date that the Transaction is completed.

(j) "**Conversion Price**" means the price per Fixed Share that, immediately prior to giving effect to the Transaction, will result in the Holder holding that number of Canopy Shares having a value equal to the Principal Amount of this Note as of the Business Day prior to closing of the Transaction, which shall be the price per Fixed Share determined by multiplying (i) the Exchange Ratio (as such term is defined in the Fixed Share Arrangement Agreement) as the same shall be adjusted pursuant to the Fixed Share Arrangement by, (ii) the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the Canopy Shares on the Business Day prior to the closing of the Transaction after giving effect to the conversion of the Notes and the determination of the number of Warrants issued pursuant to the Offering;

(k) "**Conversion Shares**" means the Fixed Shares issuable upon the conversion of the Note.

(l) "**Current Market Price**" of the Fixed Shares at any date means the VWAP during the period of any 30 consecutive trading days ending not more than five (5) business days before such date; provided that if the Fixed Shares are not then listed on any Exchange, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the Company, acting reasonably, the reasonable fees and expenses of which shall be paid by the Company.

(m) "**Fixed Share**" means a Class E subordinate voting share in the capital of the Company as constituted on the date hereof.

(n) "**Fixed Share Arrangement**" means an arrangement under Section 288 of the *Business Corporations Act* (British Columbia) on the terms and subject to the conditions set out in the Fixed Share Arrangement Agreement, which became effective on September 23, 2020.

(o) "**Fixed Share Arrangement Agreement**" means the arrangement agreement dated as of April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020, between Canopy and the Company, including the schedules and exhibits thereto, as the same may be further amended, supplemented or restated.

(p) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchange on which the Fixed Shares may, from time to time, principally trade, or if the Fixed Shares are not listed on any stock exchange, then on the over-the-counter market.

(q) "**Issue Date**" means the date specified on the face page of this Note Certificate.

(r) "**Law**" includes any law (including common law and equity), statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

(s) "**Maturity Date**" means the day that is 15 months from the Issue Date.

(t) "**Note**" means this non-recourse unsecured convertible Note, as supplemented, amended or otherwise modified, renewed or replaced from time to time.

(u) "**Notes**" has the meaning specified on the face page of this Note Certificate.

(v) "**Noteholder**" has the meaning specified on the face page of this Note Certificate.

(w) "**Obligations**" has the meaning specified on the face page of this Note Certificate.

(x) "**Offering**" means the offering by the Company of 12,000 Units at a price of US$833.33 per Unit.

(y) "**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal or arbitrator, whether foreign or domestic.

(z) "**OID**" has the meaning specified on the face page of this Note Certificate.

(aa) "**OTCQX**" means the OTCQX Best Market by OTC Markets Group.

(ab) "**Person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind.

(ac) "**Principal Amount**" means the principal amount outstanding under this Note from time to time which, for the avoidance of doubt, is presented following the capitalization and addition of the OID.

(ad) "**Put Agreement**" means the put agreement between the original Holder of this Note and Canopy USA dated as of the Issue Date.

(ae) "**Put Right**" means the right of the original Holder of this Note to require Canopy USA to acquire, among other things, this Note in accordance with the terms of the Put Agreement;

(af) "**Regulation S**" means Regulation S under the U.S Securities Act.

(ag) "**Securities Commissions**" means, collectively, the applicable securities commission or other securities administrator or regulatory authority in each of the provinces and territories of Canada.

(ah) "**Toronto Time**" means the local time in the City of Toronto, Ontario, Canada.

(ai) "**Transaction**" means the acquisition by Canopy or Canopy USA, as the case may be, of all of the outstanding Fixed Shares in accordance with the Fixed Share Arrangement.

(aj) "**Unit**" means a unit of the Company issued pursuant to the Offering, with each unit being comprised of: (i) a Note having a principal amount of US$1,000; and (ii) Warrants.

(ak) "**U.S. Person**" has the meaning ascribed to it in item 902(k) of Regulation S.

(al) "**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

(am) "**U.S. Securities Laws**" means the U.S. Securities Act, the United States Securities Exchange Act of 1934, as amended, and all rules and regulations promulgated thereunder and the applicable securities (Blue Sky) laws of the states of the United States and all rules and policies of the OTCQX.

(an) "**United States**", or "**U.S.**" means the United States of America, its territories and possessions and any state of the United States, and the District of Columbia.

(ao) "**Warrants**" means the share purchase warrants forming part of the Units, with each warrant exercisable to acquire one Fixed Share at a price per Fixed Share equal to the Exchange Ratio (as such term is defined in the Fixed Share Arrangement Agreement) as the same shall be adjusted pursuant to the Fixed Share Arrangement multiplied by the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the Canopy Shares on the Business Day prior to the closing of the Transaction (subject to a minimum price of US$0.375 in the event the Put Right is exercised), subject to completion of the Transaction at any time on or before the date which is 60 months after the Issue Date.

1.2 Interpretation

For the purposes of this Note, except as otherwise expressly provided herein:

(a) The words "**herein**", "**hereof**", and "**hereunder**" and other words of similar import refer to this Note as a whole and not to any particular Article, clause, subclause or other subdivision or Appendix.

(b) A reference to an Article means an Article of this Note and the symbol Section followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Note so designated.

(c) The headings are for convenience only, do not form a part of this Note and are not intended to interpret, define or limit the scope, extent or intent of this Note or any of its provisions.

(d) The word "including", when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as "without limitation" or "but not limited to" or

words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope.

(e) Time will be of the essence hereof.

(f) Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

Article 2
NOTE

2.1 Principal Amount

The Principal Amount will be subject to Automatic Conversion until 5:00 p.m. (Toronto Time) on the Maturity Date pursuant to the terms set forth in Section 4.1. The Principal Amount will not bear interest.

2.2 Non-Recourse

Subject to Section 2.3 and Section 4.1, as applicable, this Note does not represent a right or entitlement of the Noteholder to payment of any amounts whatsoever by the Company, and without limiting the generality of the foregoing, the Noteholder will have no claim to repayment of the Principal Amount from the Company under the Note. Subject to Section 2.3 and Section 4.1, as applicable, this Note only represents the right of the Noteholder to convert the Principal Amount hereunder into Fixed Shares in accordance with the terms of Section 4.1 hereof prior to the Maturity Date and any such conversion of the Principal Amount into Fixed Shares shall be the Noteholder's only recourse against the Company in respect of such Principal Amount outstanding from time to time hereunder and all other Obligations.

2.3 Non-Convertible Unsecured Debt

Notwithstanding anything to the contrary contained herein, if the Transaction has not closed by the Maturity Date, and provided that the transfer of this Note has been completed upon the exercise of the Put Right in accordance with the terms of the Put Agreement, on the 30th day following the Maturity Date, this Note shall thereafter only represent only an unsecured payment obligation of the Principal Amount of this Note by Company. For clarity, if this Note has been transferred upon the exercise of the Put Right in accordance with the terms of the Put Agreement, the Noteholder shall thereafter have no entitlement whatsoever to convert the Principal Amount into Conversion Shares or any other securities of the Company and its sole recourse against the Company shall be for the payment of the Principal Amount of the Note outstanding from time to time.

Article 3
COVENANTS

3.1 Covenants of the Company

The Company covenants and agrees with the Noteholder as follows, unless otherwise consented to in writing by the Noteholder:

(a) **Reservation of Fixed Shares.** The Company shall at all times have reserved for issuance out of its authorized capital a sufficient number of Fixed Shares to satisfy its obligations to issue and deliver Conversion Shares upon the due conversion of the Note in accordance with the terms of Section 4.1 hereof.

(b) **Approvals and Filings.** The Company shall make reasonable commercial efforts, in connection with the execution and delivery of this Note and the possible conversion of the Note into Conversion Shares, to obtain any and all statutory and regulatory approvals required to effect and complete the same and shall file

all notices, reports and other documents required to be filed by or on behalf of the Company pursuant to Applicable Securities Laws in respect thereof.

(c) **Resale Restrictions.** This Note and all Conversion Shares issued to the Noteholder upon conversion of the Note or any part thereof from time to time will be subject to resale restrictions imposed under Applicable Securities Laws and applicable federal and "blue sky" securities laws of the United States and the rules of regulatory bodies having jurisdiction.

(d) **Restrictions in U.S.** This Note and the Conversion Shares deliverable upon conversion hereof have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States. This Note may not be converted in the United States, or by or for the account or benefit of a U.S. Person or a Person in the United States, unless (i) the Conversion Shares are registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available.

(e) **Certificate Legend.** A legend will be placed on the certificates or DRS advice statements representing the Fixed Shares issued on conversion of the Note denoting the restrictions on transfer imposed by Applicable Securities Laws, if applicable, including but not limited to the following legends:

> **THESE SECURITIES HAVE NOT BEEN 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) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**

(f) **Canadian Securities Laws.** Conversion Shares issued to the Noteholder upon conversion of this Note or any part thereof shall be made pursuant to an exemption from the prospectus requirements under Applicable Securities Laws.

(g) **Exchange Approvals.** To the extent that any adjustment to the Conversion Price or the number of Conversion Shares issuable upon the due conversion of this Note is subject to the prior approval of the Exchange, the Company shall, (i) use its commercially reasonable efforts to obtain such approval in a timely manner, in consultation with the Noteholder, and (ii) keep the Noteholder, or its agent, reasonably updated and informed with respect to such approval process.

Article 4
CONVERSION OF NOTE

4.1 Automatic Conversion

The outstanding Principal Amount of this Note will be subject to Automatic Conversion, without any action on the part of the Noteholder, into Conversion Shares immediately prior to the completion of the Transaction. The Conversion Shares issued in connection with the Automatic Conversion shall be subject to the terms of the Fixed Share Arrangement. Upon the occurrence of an Automatic Conversion, the Noteholder shall be noted in the registrar of the Company as the registered holder (with the name and address specified on the face page of this Note) of such number of Conversion Shares calculated by dividing the Principal Amount by the Conversion Price, which Conversion Shares shall for all purposes be and be deemed to be outstanding as fully paid and non-assessable, provided however that the Noteholder shall not receive, nor be entitled to receive, any DRS advice statement(s) or

certificate(s) evidencing such Conversion Shares. The Conversion Shares issuable in accordance with the Automatic Conversion shall be subject to, and treated in accordance with, the Fixed Share Arrangement and the Transaction. Upon the issuance of the Conversion Shares in accordance with the terms of this Note, all Obligations shall immediately and automatically be considered satisfied in full and this Note shall be considered terminated without the requirement for any further action by, or notice to, any Person.

4.2 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Conversion Shares upon the conversion of the Note. To the extent that a Noteholder is entitled to receive on the conversion or partial conversion of the Principal Amount of the Note hereunder a fraction of a Conversion Share, such number of Conversion Shares shall be rounded down to the nearest whole number of Conversion Shares.

Article 5
OTHER AGREEMENTS

5.1 Withholding Taxes

If the Company is obliged to withhold any amount on account of present or future taxes, duties, assessments or other governmental charges required by Law, the Company shall make such withholding or deduction by reducing the number of Conversion Shares issuable upon conversion of the Principal Amount by an amount equal to the product obtained by multiplying the (i) amount of the withholding amount by (ii) the applicable Conversion Price.

5.2 Amendment and Waiver

The Noteholder in its absolute discretion may at any time and from time to time by written notice waive any breach by the Company of any of its covenants or agreements herein. No failure or delay on the part of the Noteholder to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Noteholder be deemed to be a waiver of any subsequent, similar or other event. Neither this Note nor any provision hereof may be amended, waived, discharged or terminated except by a document in writing executed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

5.3 Notices and Other Instruments

All notices, demands or other communications to be given to the Noteholder by the Company under this Note shall be delivered by hand, courier, ordinary prepaid mail or electronic mail and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by electronic mail, on the date of transmission if sent before 5:00 p.m. (local time where the notice is received) on a Business Day or, if such day is not a Business Day, on the first Business Day following the date of transmission.

Notices to the Noteholder shall be addressed to the address of the Noteholder set out in this Note.

Notices to the Company shall be addressed to:

Acreage Holdings, Inc.
[-]

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

DLA Piper (Canada) LLP
[-]

Each of the Company and the Noteholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Note.

5.4 Maximum Rate

Notwithstanding any other provisions of this Note or any other agreement, the maximum value of the Fixed Shares issuable to the Noteholder under this Note (including taking into account OID and any discount on the value of the Fixed Shares) shall not exceed the maximum allowable return permitted under the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the provisions of this Note and all other existing and future agreements are hereby modified to the extent necessary to effect the foregoing.

5.5 Successors and Assigns

This Note shall be binding upon the Company and its successors. This Note is neither transferable nor assignable by either party, provided that the Noteholder may, upon the occurrence on or following the exercise of the Put Right, transfer or assign its right or interest in this Note to Canopy USA by delivering a duly completed transfer notice as set out in Appendix B hereto to the Company.

5.6 Severability

The provisions of this Note are intended to be severable. If any provision of this Note shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

5.7 Modification

From time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

5.8 Governing Law

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

5.9 Currency

Unless otherwise specified in this Note Certificate, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

5.10 Mutilation, Loss, Theft or Destruction

In case this Note shall become mutilated or be lost, stolen or destroyed, the Company shall execute and deliver a new non-recourse unsecured convertible Note having the same date of issue upon surrender and cancellation of the mutilated Note, or in case this Note is lost, stolen or destroyed, in lieu of and in substitution for the same. In case of loss, theft or destruction, the Person applying for a substituted Note shall furnish to the Company such evidence of such loss, theft or destruction as shall be satisfactory to the Company (acting reasonably), shall furnish an indemnity satisfactory to the Company (acting reasonably) (but in any event in an

amount not exceeding the Principal Amount then outstanding) and shall pay all reasonable expenses incidental to the issuance of any substituted Note.

5.11 Counterparts and Electronic Execution

This Note Certificate may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The Company and the Noteholder agree that the electronic signature of this Note is intended to authenticate this document and to have the same force and effect as a manual signature. Electronic signature means any electronic symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including email electronic signatures or DocuSign. Delivery of an executed copy of this Note Certificate by electronic transmission constitutes valid and effective delivery.

[***Remainder of page intentionally left blank.***]

APPENDIX B
TRANSFER FORM

TO: ACREAGE HOLDINGS, INC. (the "**Company**")

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____
(Transferee)

_____
(Address)

the Note registered in the name of the undersigned transferor represented by the attached Note Certificate.

The new Note Certificate representing the Note transferred hereby (please check one):

(a) should be sent by first class mail to the following address:

(b) should be held for pick up at the office of the Company at which the Note Certificate is deposited.

THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES that the Note is being transferred in compliance with the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including Regulation S thereunder, and are not being offered, sold or transferred to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act) or a person within the United States unless (i) registered under the U.S. Securities Act and any applicable state securities laws or (ii) an exemption from such registration is available.

DATED this _____ day of _____, _____.

Signature of Registered Holder (Transferor)

Signature Guarantee

Print name of Registered Holder

Address

NOTE: The signature on this Transfer Form must correspond with the name as recorded on the face of the Note Certificate in every particular without alteration or enlargement or any change whatsoever or this Transfer Form must be signed by a duly authorized trustee, executor, administrator, or attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this Transfer Form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Note Certificate must be accompanied by evidence of authority to sign.

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF 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 AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

WARRANT TO PURCHASE

CLASS E SUBORDINATE VOTING SHARES OF ACREAGE HOLDINGS, INC.

Certificate Number: W-2024-[]

Face Value: US$[] [

THIS IS TO CERTIFY THAT for valuable consideration received by the undersigned, [**Name, Address of Holder**] (the "**Holder**") is the registered holder of the number of Class E subordinate voting shares purchase warrants (each a "**Warrant**") to be determined in accordance with Section 2 of Appendix A hereof, being the quotient obtained by dividing US$[] by the Exercise Price (as defined in Appendix A hereof). Each Warrant shall entitle the Holder to subscribe for and purchase, subject to the terms hereof, one Class E subordinate voting share (a "**Share**") in the capital of Acreage Holdings, Inc. (the "**Company**") at the Exercise Price at any time and from time to time from the Transaction Date until Expiry Date, all subject to adjustment as hereinafter provided in this warrant certificate, including for greater certainty the Appendices hereto (the "**Warrant Certificate**"). The Warrants will become void and the unexercised portion of the subscription rights represented by this Warrant Certificate will expire and terminate on the Expiry Date.

Unless otherwise specified in this Warrant Certificate, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

These Warrants do not entitle the Holder to any rights or interest whatsoever as a shareholder of the Company or any other rights or interests except as expressly provided in this Warrant Certificate.

If this Warrant Certificate or any replacement hereof becomes stolen, lost, mutilated or destroyed, the Company shall, on such terms as it may in its discretion impose, acting reasonably, issue and deliver a new certificate, in form identical hereto but with appropriate changes, representing any unexercised portion of the subscription rights represented hereby to replace the certificate so stolen, lost, mutilated or destroyed.

By acceptance hereof, the Holder hereby represents and warrants to the Company that the Holder is acquiring these Warrants as principal for its own account and not for the benefit of any other person.

This Warrant Certificate shall enure to the benefit of, and shall be binding upon, the Holder and the Company and their respective successors.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be issued under the signature of a properly authorized officer of the Company.

DATED as of the day of June, 2024.

ACREAGE HOLDINGS, INC.

By: _____
Authorized Signatory

APPENDIX A

Additional Terms and Conditions of this Warrant Certificate

1. **Definitions**: For the purposes of this Warrant, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this Section 1:

(a) "**Adjustment Period**" means the period commencing on the Transaction Date and ending on the Expiry Date;

(b) "**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario or New York, New York;

(c) "**Canopy**" means Canopy Growth Corporation, a corporation organized under the federal laws of Canada;

(d) "**Canopy Shares**" means common shares in the capital of Canopy as constituted on the date hereof;

(e) "**Canopy USA**" means Canopy USA, LLC, a limited liability company existing under the laws of State of Delaware;

(f) "**Common Share Equivalents**" means any securities of the Company which would entitle the holder thereof to acquire, at any time, Fixed Shares, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is, at any time, convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Fixed Shares or other securities that entitle the holder to receive, directly or indirectly, Fixed Shares;

(g) "**Convertible Security**" means a security convertible into or exchangeable for Shares;

(h) "**Current Market Price**" of the Shares at any date means the VWAP during the period of any 30 consecutive trading days ending not more than five (5) Business Days before such date; provided that if the Shares are not then listed on any Exchange, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the Company, acting reasonably, the reasonable fees and expenses of which shall be paid by the Company;

(i) "**director**" means a director of the Company for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company;

(j) "**Exchange**" means the Canadian Securities Exchange or such other principal stock exchange on which the Shares are listed and posted for trading, or if the Shares are not listed on any stock exchange, then on the over-the-counter market;

(k) "**Exercise Price**" means the Exchange Ratio (as such term is defined in the Fixed Share Arrangement Agreement) as the same shall be adjusted pursuant to the Fixed Share Arrangement multiplied by the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the Canopy Shares on the Business Day prior to the

closing of the Transaction; provided, however, that in the event that the Put Right is exercised, the Exercise Price shall be not less than US$0.375;

(l) "**Expiry Date**" means June 5, 2029;

(m) "**Fixed Share Arrangement**" means an arrangement under Section 288 of the *Business Corporations Act* (British Columbia) on the terms and subject to the conditions set out in the Fixed Share Arrangement Agreement, which became effective on September 23, 2020;

(n) "**Fixed Share Arrangement Agreement**" means the arrangement agreement dated as of April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020, between Canopy and the Company, including the schedules and exhibits thereto, as the same may be further amended, supplemented or restated;

(o) "**Put Agreement**" means the put agreement among the Holder and Canopy USA dated as of the date of issue of this Warrant Certificate;

(p) "**Put Notice Date**" means the date that Canopy USA and the Company receives a Put Notice pursuant to and in accordance with the terms of the Put Agreement;

(q) "**Put Notice**" means a notice delivered by the Holder to Canopy USA and the Company in accordance with the terms of the Put Agreement;

(r) "**Put Right**" has the meaning ascribed thereto in the Put Agreement;

(s) "**trading day**" with respect to an Exchange means a day on which such Exchange is open for business;

(t) **"Transaction**" means the acquisition by Canopy or Canopy USA of the issued and outstanding Shares pursuant to and in accordance with the Fixed Share Arrangement;

(u) "**Transaction Date**" means the date that Canopy or Canopy USA, as the case may be, acquires of all of the issued and outstanding Shares in accordance with the Fixed Share Arrangement; and

(v) "**VWAP**" means the volume weighted average trading price of the Shares on the Exchange, calculated by dividing the total value by the total volume of Shares traded for the relevant period.

2. **Number of Warrants**: The number of warrants represented by this Warrant Certificate shall be the quotient obtained by dividing US$[] by the Exercise Price, subject to adjustment in accordance with the terms hereof. For clarity and notwithstanding anything to the contrary contained herein, in the event that the Transaction Date does not occur prior to the Expiry Date, the Warrants will become void and the subscription rights represented by this Warrant Certificate will expire and terminate on the Expiry Date.

3. **Partial Exercise**: The Holder may subscribe for and purchase less than the full number of Shares which the Holder is entitled to purchase hereunder on delivery of this Warrant Certificate. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this Warrant Certificate prior to the Expiry Date, the Company shall issue a new Warrant Certificate to the Holder in the same form as this Warrant Certificate representing the right to purchase Shares not previously purchased with appropriate changes.

4. **Exercise Mechanics**:

(1) Generally. The Warrants may be exercised by the Holder in whole or in part, at any time or times on or after the Transaction Date and on or before the earlier of Expiry Date by surrender or delivery, as applicable, to the Company: (a) this Warrant Certificate, together with (b) a duly completed and executed subscription form in the form attached as Appendix B to this Warrant Certificate (the "**Subscription Form**"), and (c) payment in full of the Exercise Price in respect of the Shares subscribed for by certified cheque, bank draft or money order in lawful money of the United States payable to the Company or by transmitting same day funds in lawful money of the United States by wire to such account as the Company shall direct the Holder.

(2) Exercise. On the date upon which the Company receives this Warrant Certificate, the subscription form, and payment as aforesaid (the "**Exercise Date**"), the Shares subscribed for shall be deemed to be issued as fully paid and non-assessable shares and the Holder shall be deemed for all purposes to be the holder of record of the number of Shares to be so issued, unless the transfer books of the Company shall be closed on such Exercise Date, in which event the Shares so subscribed for shall be deemed to be issued, and the Holder shall be deemed to have become the holder of record of such Shares, on the date on which such transfer books are reopened.

5. **Delivery of Shares**: On or before the second trading day following the date of exercise as aforesaid (such date, the "**Share Delivery Date**"), the Company shall cause to be delivered to the Holder, by the Share Delivery Date, a DRS advice statement(s) or certificate(s) evidencing such Shares subscribed for and purchased by the Holder hereunder affixed with all required legends, and a replacement Warrant Certificate. The Company and the Holder agree that the delivery requirement described in the preceding sentence may be satisfied by either: (i) physical delivery of certificate(s) to the address specified in the Subscription Form, or (ii) electronic delivery of DRS advice statement(s) to the e-mail address specified in the Subscription Form.

6. **No Fractional Shares**: The Company shall not be required to issue fractional Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest in a Share would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, satisfy such fractional interest by rounding down the number of Shares issuable upon the exercise of the Warrants to the nearest whole number.

7. **Covenants, Representations and Warranties**: The Company hereby covenants and agrees that it is authorized to issue and that it will cause the Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Shares to be issued and that prior to the Expiry Date, it will reserve and there will remain unissued, out of the authorized capital of the Company, a sufficient number of Shares to satisfy the right of purchase provided in this Warrant Certificate, as such right of purchase may be adjusted pursuant to Section 9 hereof.

The Company hereby represents and warrants that all Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon full payment of the Exercise Price therefor, shall be and be deemed to be fully paid and non-assessable Shares, free from all taxes, liens and charges with respect to the issue thereof.

The Company hereby represents and warrants that this Warrant Certificate is a valid and enforceable obligation of the Company, enforceable in accordance with the provisions of this Warrant Certificate.

The Company further covenants that its issuance of this Warrant Certificate shall constitute full authority to its officers who are charged with the duty of issuing the necessary Shares upon the exercise of the purchase rights under this Warrant Certificate. Each of the Company and the Holder will take all such reasonable actions as may be necessary to assure that such Shares may be issued as provided herein without violation of any applicable law or regulation to which such party is subject, as applicable, or of any requirements of

the Exchange upon which the Shares may be listed. The Company covenants that all Shares which may be issued upon the exercise of the purchase rights represented by this Warrant Certificate will, upon due exercise of the purchase rights represented by this Warrant Certificate and payment in full for such Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except as set out in this Warrant Certificate or otherwise to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant Certificate, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder as set forth in this Warrant Certificate against impairment. Without limiting the generality of the foregoing, the Company will (i) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Shares upon the exercise of this Warrant Certificate and (ii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents required to be obtained by the Company from any public regulatory body having jurisdiction over the Company, as may be, necessary to enable the Company to perform its obligations under this Warrant Certificate.

8. U.S. Securities Laws Matters

(1) The Holder, by acceptance of this Warrant Certificate, agrees to comply in all respects with the provisions of this Section 8 and the restrictive legend requirements set forth on the face of this Warrant Certificate and further agrees that such Holder shall not offer, sell or otherwise dispose of these Warrants or any Shares to be issued upon exercise of these Warrants except under circumstances that will not result in a violation of the *Securities Act of 1933*, as amended (the "**Securities Act**"). Any certificate representing Shares issued upon exercise of these Warrants, or if the Shares are entered into a direct registration or other electronic book-entry only system and the Holder does not directly receive a certificate representing the Shares issued upon exercise of these Warrants, the written notice confirming issuance thereof, will 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) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT."**

(2) In connection with the issuance of this Warrant Certificate, the Holder specifically represents, as of the date hereof, to the Company by acceptance of this Warrant Certificate as follows:

(a) The Holder is either (i) a "qualified institutional buyer", as such term is defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or (ii) an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The Holder is acquiring this Warrant Certificate

and the Shares to be issued upon exercise hereof for investment for its own account and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant Certificate or the Shares, except pursuant to sales registered or exempted under the Securities Act.

(b) The Holder understands and acknowledges that this Warrant Certificate and the Shares to be issued upon exercise hereof are "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that, under such laws and applicable regulations, such securities may be resold without registration under the Securities Act only in certain limited circumstances. In addition, the Holder represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

(c) The Holder acknowledges that it can bear the economic and financial risk of its investment for an indefinite period and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Warrant Certificate and the Shares. The Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Warrant and the business, properties, prospects and financial condition of the Company.

(d) The Holder is resident only at the address appearing on the face page of this Warrant and is acquiring the Warrants as principal for its own account and not for the benefit of any other person.

9. <u>Adjustment of Subscription and Purchase Rights</u>:

(1) <u>Adjustments</u>:

(a) The Exercise Price and the number of Shares issuable upon exercise of the Warrants shall be subject to adjustment from time to time in the events and in the manner provided as follows.

(b) If at any time during the Adjustment Period, the Company shall:

(i) fix a record date for the issue of, or issue, Shares or Convertible Securities to the holders of outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of outstanding Shares payable in Shares or Convertible Securities;

(iii) subdivide, redivide or change the outstanding Shares into a greater number of Shares; or

(iv) consolidate, combine or reduce the outstanding Shares into a lesser number of Shares,

(any such event being hereinafter referred to as a "**Common Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Common Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Common Share Reorganization (including in the case of a distribution of Convertible Securities, the number of Shares that would be outstanding had such securities been exchanged for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 9(1)(b) as a result of the fixing by the Company of a record date for the distribution of Convertible Securities, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Shares or Convertible Securities at a price per Share to the holder (or in the case of Convertible Securities, at an exchange or conversion price per Share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Shares outstanding on the record date for the Rights Offering, plus

(B) the quotient determined by dividing:

(I) either: (a) the product obtained by multiplying the number of Shares offered during the Rights Period pursuant to the Rights Offering by the price at which such Shares are offered, or, (b) the product obtained by multiplying the exchange, exercise or conversion price of the securities so offered by the maximum number of Shares which the holders of securities offered pursuant to the Rights Offering are entitled to receive upon the exchange, exercise, or conversion of Convertible Securities, as the case may be, by

(II) the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date plus the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of

Convertible Securities, the maximum number of Shares into which such Convertible Securities may be exchanged, exercised or converted),

If by the terms of the rights, options, or warrants referred to in this subsection 9(1)(c), there is more than one purchase, conversion or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the Convertible Securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Share, as the case may be. Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. Such adjustment shall be made successively whenever such a record date is fixed.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 9(1)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this subsection 9(1)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a direct or indirect reclassification, reorganization or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Common Share Reorganization in one or more related transactions;

(ii) a direct or indirect consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities in one or more related transactions, including the Transaction; or

(iii) the direct or indirect transfer, sale, assignment, conveyance or other disposition of all or substantially all of the assets of the Company to another company, entity or person in one or a series of related transactions;

(any of such events being herein called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of the Warrants, the kind and aggregate number of Shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsections 9(1)(b), 9(1)(c), 9(1)(d) or 9(1)(f) hereof, then the number of Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(f) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of the Shares of:

(i) shares of the Company of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than pursuant to a Rights Offering);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Common Share Reorganization, a Rights Offering or a Capital Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution so that it shall equal the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between:

(I) the product of the number of Shares outstanding on such record date multiplied by the Current Market Price of the Shares on such record date; less the excess, if any,

(II) the fair value, as determined by the directors of the Company, to the holders of the Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution; and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 9(1)(f) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this subsection 9(1)(f), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(2) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to subsection 9(1) hereof.

(a) Subject to the following provisions of this subsection 9(2), the adjustments provided for in subsection 9(1) hereof are cumulative, and shall be made successively whenever an event referred to therein shall occur.

(b) The purpose and intent of the adjustments provided in subsection 9(1) hereof is to ensure that the rights and obligations of the Holder are neither diminished nor enhanced as a result of any if the events set forth herein. Accordingly, the adjustment provisions of this Warrant Certificate shall be interpreted and applied in accordance with such purpose and intent.

(c) All calculations shall be made to the nearest one one-hundredth of a Share.

(d) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent (1%) of the Exercise Price in effect immediately prior to such adjustment, and no adjustment shall be made in the number of Shares purchasable or issuable on the exercise of the Warrants unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments which, except for the provision of this subsection 9(2)(d), would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of subsection 9(1) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of the Warrants (except in respect of the Common Share Reorganization described in subsection 9(1)(b)(iv) hereof or a Capital Reorganization described in subsection 9(1)(d)(ii) hereof).

(e) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 9 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised the Warrants evidenced hereby for Shares prior to the effective date or record date of such event.

(f) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 9(1) hereof in respect of the issue from time to time of Shares pursuant to this Warrant Certificate or similar Warrant certificates issued on the date hereof, pursuant to common share purchase warrants, compensation warrants or compensation options or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Common Share Reorganization, a Rights Offering nor any other event described in subsection 9(1) hereof.

(g) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in subsection 9(1) hereof, which would have an adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of the Warrants shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, determined to be equitable in the circumstances, subject to the requisite approval of the Exchange, if applicable. Failure of the taking of action by the directors so as to provide for an adjustment prior to the effective date of any action by the Company affecting the Shares

shall be deemed to be conclusive evidence that the directors have determined that it is equitable to make no adjustment in the circumstances.

(h) Any adjustment pursuant to subsection 9(1) hereof shall be subject to any required prior approvals of the Exchange upon which the Shares are listed, if applicable.

(i) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of the Warrants shall be required by reason of the setting of such record date.

(j) In any case in which the Warrants shall require that an adjustment shall become effective immediately after a record date for an event referred to in subsection 9(1) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that the Warrants are exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of the Warrants and to such distribution declared with respect to any such additional Shares issuable on this exercise of the Warrants.

(k) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(l) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Company or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 9(1) hereof and shall be binding upon the Company and the Holder.

(m) As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 9(1) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company has reserved and there will remain unissued out of its authorized capital a sufficient number of Shares for issuance upon the exercise of the Warrants evidenced hereby, and that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions of this Warrant Certificate.

(3) Notice of Adjustment: At least 10 Business Days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under the Warrants, including the Exercise Price and the number of Shares which are purchasable under the Warrants, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 9(3) has been given is not then determinable, the Company shall promptly after such adjustment is determinable, deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 10 Business Day period.

10. Limitations on Exercises:

(1) The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "**Attribution Parties**")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "**Exchange Act**"), it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination and shall have no liability for exercises of the Warrant that are not in compliance with the Beneficial Ownership Limitation, except to the extent the Holder relies on a number of outstanding Shares that was provided by the Company. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, and the Company shall have no obligation to verify or confirm the accuracy of such determination and shall have no liability for exercises of the Warrant that are not in compliance with the Beneficial Ownership Limitation, except to the extent the Holder relies on the number of outstanding Shares that was provided by the Company. For purposes of this Section 2(e), in determining the number of outstanding Shares, a Holder may rely on the number of outstanding Shares as reflected in (A) the Company's most recent periodic or annual report filed with the

Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Shares outstanding. Upon the written request of a Holder, the Company shall within two (2) Trading Days confirm orally and in writing to the Holder the number of Shares then outstanding. In any case, the number of outstanding Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Shares outstanding immediately after giving effect to the issuance of Shares issuable upon exercise of this Warrant. The Holder, upon written notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Shares outstanding immediately after giving effect to the issuance of Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant. If the Warrant is unexercisable as a result of the Holder's Beneficial Ownership Limitation, no alternate consideration is owing to the Holder.

11. <u>Consolidation and Amalgamation</u>:

(1) The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation, limited liability company, or other person (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction, the Company and the successor corporation shall have executed such written instruments and done such things as the Company, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:

(a) the successor corporation will have assumed all the covenants and obligations of the Company under this Warrant Certificate, and

(b) the Warrants and the terms set forth in this Warrant Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant Certificate.

(2) Whenever the conditions of subsection 11(1) hereof shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Warrant Certificate in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.

(3) The Warrants represented by this Warrant Certificate will be subject to the Fixed Share Arrangement and the Transaction. For the avoidance of doubt, following the closing of the Transaction, the Holder shall thereafter be entitled to receive, upon exercise of the Warrants, such number of Canopy Shares as the Holder would have been entitled to receive in accordance with the terms of the Fixed Share Arrangement Agreement had the Holder exercised the Warrants prior to the closing of the Transaction.

12. **Transferability**: This Warrant Certificate is neither transferable nor assignable by either party, provided that the Holder may, upon the occurrence on or following the Put Notice Date, transfer or assign its right or interest in the Warrants to Canopy or Canopy USA by delivering a duly completed transfer notice as set out in Appendix C hereto to the Company.

13. **No Obligation to Purchase; Limitation of Liability**: Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for, or for the Company to issue, any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein. Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for, or for the Company to issue, any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant Certificate to purchase Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant Certificate.

14. **Further Assurances; Remedies**: The Company hereby covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such other act, deed and assurance as the Holder shall reasonably require for the better accomplishing and effectuating of the intentions and provisions of this Warrant Certificate.

15. **Time of Essence**: Time shall be of the essence of this Warrant Certificate.

16. **Governing Laws**: This Warrant Certificate shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

17. **Notices**: All notices or other communications to be given under this Warrant Certificate shall be delivered by hand or by email and, if delivered by hand, shall be deemed to have been given on the delivery date and, if sent by email, on the date of transmission if sent before 4:00 p.m. (Toronto time) on a Business Day or, if such day is not a Business Day, on the first Business Day following the date of transmission.

Notices to the Company shall be addressed to:

Acreage Holdings, Inc.

Acreage Holdings, Inc.
[-]

Notices to the Holder shall be addressed to the address of the Holder set out in this Warrant Certificate

The Company or the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

18. **Severability:** If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

19. **Language**: The parties hereto acknowledge and confirm that they have requested that this Warrant Certificate as well as all notices and other documents contemplated hereby be drawn up in the English language. *Les parties aux présentes reconnaissent et confirment qu'elles ont exigé que le présent certificat ainsi que tous les avis et documents qui s'y rattachent soient rédigés en langue anglaise.*

20. **Non-Waiver and Expenses**: No course of dealing or any delay or failure to exercise any right hereunder on the part of any party shall operate as a waiver of such right or otherwise prejudice such party's rights, powers or remedies. Without limiting any other provision of this Warrant Certificate, if either party hereto willfully and knowingly fails to comply with any provision of this Warrant Certificate, which results in any material damages to the other party hereto, as determined pursuant to a final non-appealable judgment by a court of competent jurisdiction, such party shall pay to the other party such amounts as shall be sufficient to cover any reasonable costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the other party in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

21. **Amendment**: This Warrant Certificate may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder. Notwithstanding the foregoing, from time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

22. **Electronic Execution**. The electronic signature of this Warrant Certificate is intended to authenticate this document and to have the same force and effect as a manual signature. Electronic signature means any electronic symbol, or process attached to or logically associated with a record and executed and adopted by the Company with the intent to sign such record, including email electronic signatures or DocuSign. Delivery of an executed copy of this Warrant Certificate by electronic transmission constitutes valid and effective delivery.

APPENDIX B

TO: ACREAGE HOLDINGS, INC.

SUBSCRIPTION FORM

The undersigned hereby subscribes for_____ Class E subordinate voting shares ("**Shares**") of Acreage Holdings, Inc. (the "**Company**") (or such other number of Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto) pursuant to the provisions of the warrant certificate (the "**Warrant Certificate**") dated as of the 5th day of June, 2024 issued by the Company to the Holder (as defined in the Warrant Certificate) at the Exercise Price of $_____ per Share and on and subject to the other terms and conditions specified in the Warrants and encloses herewith a certified cheque, bank draft or money order in lawful money of the United States payable to the Company or has transmitted same day funds in lawful money of the United States by wire to such account as the Company directed the undersigned in full payment of the subscription price for such number of Shares hereby subscribed for.

The undersigned is either (i) a "qualified institutional buyer", as such term is defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or (ii) an "accredited investor", as such term is defined in Rule 501(a) promulgated under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Shares received on exercise will be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Company will rely upon the undersigned's confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Company promptly in writing if any of its representations or warranties herein ceases to be accurate or complete.

The undersigned hereby directs that the Shares subscribed for be registered and delivered as follows:

Name in Full	**Email**	**Address (include Postal/Zip Code)**	**Number of Shares**

DATED this _____ day of _____, 20__.

[INSERT HOLDER]

By: _____

APPENDIX C

TRANSFER FORM

TO: ACREAGE HOLDINGS, INC. (the "**Company**")

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____

(Transferee)

_____

(Address)

the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

The new Warrant Certificate representing the Warrants transferred hereby (please check one):

(a) should be sent by first class mail to the following address:

(b) should be held for pick up at the office of the Company at which the Warrant Certificate is deposited.

THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES that the Warrants are being transferred in compliance with the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including Regulation S thereunder, and are not being offered, sold or transferred to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act) or a person within the United States unless (i) registered under the U.S. Securities Act and any applicable state securities laws or (ii) an exemption from such registration is available.

DATED this _____ day of _____, _____.

Signature of Registered Holder (Transferor)

Signature Guarantee

Print name of Registered Holder

Address

NOTE: The signature on this Transfer Form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this Transfer Form must be signed by a duly authorized trustee, executor, administrator, or attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this Transfer Form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

Execution Version

AMENDED AND RESTATED CREDIT AGREEMENT

by and among

HIGH STREET CAPITAL PARTNERS, LLC

as Borrower,

ACREAGE HOLDINGS, INC.,

as Parent,

THE OTHER LOAN PARTIES THAT ARE PARTY HERETO,

THE LENDERS THAT ARE PARTY HERETO,

as Lenders

and

VRT AGENT LLC,

as Agent

As of June 3, 2024

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Schedule 6.6	Nature of Business

AMENDED AND RESTATED CREDIT AGREEMENT

This **AMENDED AND RESTATED CREDIT AGREEMENT** (as amended, restated or otherwise modified from time to time, this "**Agreement**"), is entered into as of June 3, 2024, by and among HIGH STREET CAPITAL PARTNERS, LLC, a Delaware limited liability company ("**Borrower**"), ACREAGE HOLDINGS, INC., a corporation existing under the laws of the Province of British Columbia ("**Parent**"), the Subsidiary Guarantors identified on the signature pages hereof, Viridescent Realty Trust, Inc. ("**VRT**"), 11065220 Canada Inc. ("**1106**"; together with VRT and each of 1106's and VRT's respective successors and permitted assigns, each a "**Lender**" and collectively, as the "**Lenders**"), VRT AGENT LLC, a Delaware limited liability company, as agent for the Lenders (in such capacity, together with its successors and permitted assigns in such capacity, "**Agent**").

PRELIMINARY STATEMENTS:

WHEREAS, Borrower, AFC Agent LLC, a Delaware limited liability company ("**AFC**"), as administrative agent for the Original Lenders (as defined below) (in such capacity, "**Original Administrative Agent**"), Agent, in its capacity as co-agent for the Original Lenders (in such capacity, "**VRT Co-Agent**" and together with the Original Administrative Agent, the "**Original Agents**" and each an "**Original Agent**"), AFC Gamma, Inc. and AFC Institutional Fund LLC (collectively, "**AFC Lenders**") and VRT (AFC Lenders and VRT, collectively the "**Original Lenders**") are parties to that certain Credit Agreement, dated as of December 16, 2021 (as amended by the First Amendment to Credit Agreement dated as of October 24, 2022 and the Second Amendment to Credit Agreement dated as of April 28, 2023, the "**Original Credit Agreement**"), pursuant to which the Original Lenders made certain credit facilities available to the Borrower;

WHEREAS, pursuant to the Assignment and Acceptance Agreement of even date herewith among the AFC Lenders and 1106 (the "**AFC-1106 Assignment Agreement**"), AFC Lenders have assigned all of their rights and interests under the Original Credit Agreement to 1106 as more particularly provided therein, and as a result thereof, VRT and 1106 became the sole "Lenders" under the Original Credit Agreement;

WHEREAS, pursuant to the Assignment and Acceptance Agreement of even date herewith among 1106 and VRT, (the "**1106-VRT Assignment Agreement**"; together with the AFC-1106 Assignment Agreement, the "**Assignment Agreements**"), 1106 has assigned a portion of the rights and interests it acquired pursuant to the AFC-1106 Assignment Agreement to VRT as more particularly provided therein;

WHEREAS, pursuant to the terms and conditions of the Agency Assignment Agreement of even date herewith (the "**Agency Assignment Agreement**"), AFC resigned as the Original Administrative Agent and an Original Agent under the Original Credit Agreement, and VRT and 1106 have appointed Agent as the successor to the Original Administrative Agent under the Original Credit Agreement and the other Loan Documents, as a result of which Agent (in its capacities as VRT Co-Agent and as successor to the Original Administrative Agent) became the sole agent under the Original Credit Agreement;

WHEREAS, certain Events of Default have occurred and are continuing under the Original Credit Agreement, this Agreement and the other Loan Documents, including, without limitation:

(1) Events of Default under Section 8.1(a) of the Original Credit Agreement for the failure to make the interest payment for the month ending April 30, 2024 within five (5) Business Days of its due date, in violation of Section 2.5(c) of the Original Credit Agreement, Section 4 of the Parent Guaranty and Section 4 of the Subsidiary Guaranty, (2) an Event of Default under Section 8.1(b)(i) of the Original Credit Agreement for the failure to comply with the minimum unrestricted cash balance covenant set forth in Section 7.4 of the Original Credit Agreement, and (3) an Event of Default under Section 8.1(b)(ii) of the Original Credit Agreement due to the Borrower's incurrence of more than $500,000 in trade payables that are ninety (90) days or more past due, in violation of Section 6.1 of the Original Credit Agreement (collectively, the "**Specified Defaults**");

AND WHEREAS the Borrower, Parent, the other Loan Parties and the Lenders wish to make certain amendments to the Original Credit Agreement, and have agreed to do so by way of an amendment and restatement of the Original Credit Agreement reflecting such amendments;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, the parties hereto agree that the Original Credit Agreement is hereby amended and restated in its entirety as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.**

Capitalized terms used and not otherwise defined in this Agreement shall have the meanings assigned to such terms below:

"**1106**" has the meaning specified therefor in the preamble to this Agreement.

"**1106-VRT Assignment Agreement**" has the meaning specified therefor in the Preliminary Statements.

"**ABR**" means, for any day, a rate per annum equal to the Prime Rate in effect on such day; provided that if ABR shall be less than 5.50%, such rate shall be deemed 5.50% for purposes of this Agreement. Any change in the ABR due to a change in the Prime Rate shall be effective from and including the effective date of such change in the Prime Rate.

"**Accrued 1106 Obligations**" means all accrued and unpaid interest, Lender Group Expenses (as defined in the Original Credit Agreement) and all other unpaid Obligations (as defined in the Original Credit Agreement) (other than on account of principal) assigned to 1106 pursuant to the AFC-1106 Assignment Agreement, in the amount specified in Schedule 1.7(c).

"**Accrued VRT Obligations**" means the interest that is accrued and unpaid on the Term Loan (as defined in the Original Credit Agreement") held by VRT as of the Effective Date (without regard to the assignment to VRT pursuant to the 1106-VRT Assignment), in the amount specified in Schedule 1.7(c).

"**Acquisition**" means the acquisition, directly or indirectly, by any Person of (a) a majority of the Stock of another Person or (b) all or substantially all of the assets of another Person, in each case (i) whether or not involving a merger or a consolidation with such other Person and (ii) whether in one transaction or a series of related transactions.

"**Additional Documents**" has the meaning specified therefor in Section 5.13.

"**Adjusted EBITDA**" means, with respect to any period,

(a) EBITDA,

minus

(b) without duplication, the sum of the following amounts of Parent and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) extraordinary non-recurring or unusual gains and income, and

(ii) non-cash items increasing consolidated net earnings for such period (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), and

(iii) interest income,

plus

(c) without duplication, the sum of the following amounts of Parent and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) extraordinary non-recurring or unusual charges, losses or expenses, including for goodwill write-offs and write downs;

(ii) non-cash compensation expense, or other non-cash expenses or charges in each case arising from the granting of stock options, stock appreciation rights or similar arrangements;

(iii) transaction fees, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with any Permitted Acquisition (as defined in the Original Credit Agreement), any Investment (other than intercompany Investments in the ordinary course of business), any Disposition (other than Dispositions in the ordinary course of business), any incurrence, repayment or refinancing of Indebtedness (or any amendment or other modification of any Indebtedness) or any issuance of Equity Interests, including any such transaction consummated prior to the Effective Date and any such transaction undertaken but not completed;

(iv) any aggregate net loss on the Disposition of property (other than accounts and Inventory) outside the ordinary course of business;

(v) fees, costs and expenses paid in cash in connection with the repayment or prepayment of Indebtedness (including the Obligations and excluding any payments of interest or principal);

(vi) fees, costs and expenses in connection with the Loan Documents (and excluding any payments of interest or principal); and

(vii) fees and expenses paid or reimbursed to Agent and the Lenders (and excluding any payments of interest or principal);

provided, that the aggregate amounts added back pursuant to clauses (c)(i), (c)(iii), (c)(v) through (vii) shall not exceed 10% of Adjusted EBITDA ("**EBITDA Cap**") for such period (calculated prior to giving effect to such clauses (c)(i), (c)(iii). (c)(v) through (vii); provided, further that to the extent there is a portion of clause (c)(i) that is not added back due to the EBITDA Cap, an amount of extraordinary, non-recurring or unusual gains equal to such portion shall be included in Adjusted EBITDA notwithstanding clause (b)(i).

"**AFC Lenders**" has the meaning specified therefor in the Preliminary Statements.

"**AFC-1106 Assignment Agreement**" has the meaning specified therefor in the Preliminary Statements.

"**Affiliate**" means, as applied to any Person, any other Person that controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "**control**" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Stock, by contract, or otherwise; provided that, for purposes of Section 6.12: (a) any Person which owns directly or indirectly ten percent (10.00%) or more of the Stock having ordinary voting power for the election of directors or other members of the governing body of a Person or ten percent (10.00%) or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person; and provided, further, that in no event shall Agent, the Lenders or their respective Affiliates be deemed to be Affiliates of any Loan Party for any purpose whatsoever. The term Affiliate excludes Canopy and Canopy USA or any Subsidiaries of Canopy or Canopy USA until the consummation of the Permitted Canopy Transaction.

"**Agency Assignment Agreement**" has the meaning specified therefor in the Preliminary Statements.

"**Agent**" has the meaning specified therefor in the preamble to this Agreement; provided, that notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, any time there is a reference to the "Administrative Agent" or the "Co-Agent" under the Original Credit Agreement or any other Loan Documents executed prior to the Effective Date, such reference shall at all times on and after the Effective Date be deemed to refer to Agent.

"**Agent Fee**" has the meaning specified therefor in Section 2.6(b).

"**Agent-Related Persons**" means the Agent, together with its Affiliates, officers, directors, employees, attorneys and agents.

"**Agent's Account**" means the Deposit Account of Agent that has been designated as such, in writing, by Agent to Borrower and the Lenders.

"**Agent's Liens**" means the Liens granted by Borrower and the Loan Parties, as applicable, to Agent under the Loan Documents securing or purporting to secure the Obligations for the benefit of the Lender Group.

"**Agreement**" has the meaning specified therefor in the preamble to this Agreement.

"**Agreement Among Lenders**" means the Agreement Among Lenders, dated as of the Effective Date, by and among Agent and each Lender and acknowledged by the Loan Parties, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"**Anti-Money Laundering Laws**" means all Applicable Laws that may be enforced by any Governmental Authority relating to anti-money laundering statutes, laws, regulations and rules, including, but not limited to the *Bank Secrecy Act* (31 U.S.C. §5311 et seq.; 12 U.S.C. §§1818(s) 1829(b), 1951 1959), as amended by the Patriot Act.

"**Applicable Law**" means any applicable United States or foreign federal, state, or local statute, law, ordinance, regulation, rule, code, order (whether executive, legislative, judicial or otherwise), judgment, injunction, notice, decree or other requirement or rule of law or legal process, or any other order of, or agreement issued, promulgated or entered into by any Governmental Authority, in each case related to the conduct and business of the applicable Person, including but not limited to any applicable Sanctions Laws, Anti-Money Laundering Laws or Environmental Laws; provided, however, that "Applicable Law" shall exclude (i) any United States federal laws, rules, or regulations as they relate to cannabis or any other United States federal law, civil, criminal, or otherwise, that are directly or indirectly related to the cultivation, harvesting, manufacturing, production, marketing, commercialization, labeling, distribution, sale and possession of cannabis, Marijuana or related substances or products containing cannabis, Marijuana or related substances, including the prohibition on drug trafficking under the Controlled Substances Act, 21 USC 801 et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, federal money laundering statutes under 18 U.S.C. §§ 1956, 1957 and 1960 ("**Federal Cannabis Law**"); and (ii) any other U.S. federal law, regulation, or schedule in effect at the relevant time, which by extension would be violated solely because a Marijuana activity violates the then effective provisions of any Federal Cannabis Law.

"**Applicable Margin**" means, with respect to any Loan, five and three quarters percent (5.75%) per annum.

"**Application Event**" means the occurrence of (a) a failure by Borrower to repay all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full on the Maturity Date, (b) an Event of Default described in Section 8.1(d) or Section 8.1(e), or (c) any other Event of Default, subject to the expiration of any applicable cure period, which the Agent has designated in written notice to the Borrower as an "Application Event" under this Agreement.

"**Arrangement Agreements**" means, collectively, (i) that certain arrangement agreement, dated as of April 18, 2019, by and among Canopy and Parent, as amended, restated or otherwise modified from time to time; and (ii) that certain arrangement agreement, dated as of October 24, 2022, by and among Canopy, Canopy USA and Parent, as amended, restated or otherwise modified from time to time.

"**Assignee**" has the meaning specified therefor in Section 14.1(a).

"**Assignment Agreements**" has the meaning specified therefor in the Preliminary Statement.

"**Assignment and Acceptance**" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A to this Agreement.

"**Auditor**" has the meaning specified therefor in Section 5.1(a).

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Bankruptcy Code**" means title 11 of the United States Code, as in effect from time to time.

"**Benefit Plan**" means (i) any "**defined benefit plan**" (as defined in Section 3(35) of ERISA) for which Borrower or any of its Subsidiaries or ERISA Affiliates has been an "**employer**" (as defined in Section 3(5) of ERISA) within the past six (6) years and (ii) any Foreign Plan.

"**Blocked Person**" has the meaning specified therefor in Section 4.28(b).

"**Board of Directors**" means, as to any Person, the board of directors (or comparable governing body) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable governing body).

"**Borrower**" has the meaning specified therefor in the preamble to this Agreement.

"**Budget**" means the 13-week cash flow forecast that has been prepared by the Borrower's management, certified by the chief financial officer of Borrower and delivered to Agent every 4 weeks pursuant to Section 5.24 of this Agreement, projecting the operations of Parent and its Subsidiaries for the immediately succeeding 13-week period; provided that, upon delivery of such 13-week cash flow forecast, such 13-week cash flow forecast shall automatically constitute the "Budget" for purposes of this Agreement until such time that the Borrower delivers a subsequent 13-week cash flow forecast that, upon delivery thereof, shall automatically constitute the "Budget" for purposes of this Agreement. Notwithstanding the foregoing, Borrower may amend, supplement or replace any current Budget and, upon such amendment, supplement or replacement thereof, such amended, supplemented or replaced Budget shall automatically constitute the current Budget for purposes of this Agreement.

"**Business Day**" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of New York.

"**Cannabis Law**" means any applicable state, or local statute, law, ordinance, regulation, rule, code, order (whether executive, legislative, judicial or otherwise), judgment, injunction, notice, decree or other requirement or rule of law or legal process, or any other order of, or agreement issued, promulgated or entered into by any Governmental Authority, in each case related to the cultivation, manufacture, development, distribution, or sale of cannabis or products containing cannabis but in any event excluding any Federal Cannabis Laws.

"**Cannabis License**" means all permits, licenses, registrations, variances, land-use rights, clearances, consents, commissions, franchises, exemptions, orders, authorizations, and approvals or similar permissions from Regulatory Authorities authorizing the recipient to conduct business in accordance with the Cannabis Laws of each applicable jurisdiction, including specifically applicable licenses required by each of the Core States and their applicable regulations.

"**Canopy**" means Canopy Growth Corporation and its Affiliates, which, for greater certainty, excludes Canopy USA.

"**Canopy USA**" means Canopy USA, LLC and its Affiliates, which, for greater certainty, excludes Canopy.

"**Capital Expenditures**" means, with respect to any Person for any period, the aggregate amount of all expenditures by such Person during such period that are capital expenditures as determined in accordance with GAAP, which are paid in cash.

"**Capitalized Lease Obligation**" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"**Capital Lease**" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"**Cash Equivalents**" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one (1) year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("**S&P**") or Moody's Investors Service, Inc. ("**Moody's**"), (c) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within one (1) year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than one hundred million dollars ($100,000,000), (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount

maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than five hundred million dollars ($500,000,000), having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

"**Cash Management Services**" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

"**Cash Pay Date**" means November 30, 2024.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "**Change in Law**", regardless of the date enacted, adopted or issued.

"**Change of Control**" means:

(a) a transaction in which any "**person**" or "**group**" (within the meaning of Section 13(d) and 14(d)(2) of the *Securities Exchange Act* of 1934) other than Parent becomes the "**beneficial owner**" (as defined in Rule 13d-3 under the *Securities Exchange Act* of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock or other equity securities, as applicable, then outstanding of Borrower ordinarily entitled to vote in the election of directors, empowering such "**person**" or "**group**" to elect a majority of the Board of Directors of Borrower, who did not have such power before such transaction;

(b) any Person or two or more acting in concert, shall have acquired beneficial ownership, directly or indirectly, of Equity Interests of Parent (or other securities convertible into such Equity Interests) representing 50% or more of the combined voting power of all Equity Interests of Parent entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board of Directors of Parent,

(c) a transaction that results in Parent failing to own directly or indirectly, beneficially and of record on a fully diluted basis, 100% of the aggregate voting interests and 75% of the aggregate economic interests in Borrower;

(d) Borrower ceases to beneficially and of record own and control, directly or indirectly, free and clear of all Liens other than Permitted Liens arising by operation of law, one hundred percent (100.00%) of the issued and outstanding shares of each class of capital Stock of any wholly-owned Loan Party or, in the case of less than wholly-owned Loan Parties as of the Effective Date, a lesser amount of the issued and outstanding shares of each class of capital Stock of any Loan Party than on the Effective Date; or

(e) the occurrence of a change in control, change of control, or other similar provision, as defined in any document governing any Material Indebtedness triggering a default, mandatory prepayment or mandatory repurchase offer, which default, mandatory prepayment or requirement to make a mandatory repurchase offer has not been waived in writing.

Notwithstanding the foregoing or anything else contained herein or any other Loan Document, the Permitted Canopy Transaction or any Acquisition of, whether directly or indirectly, Equity Interests of Parent (or other securities convertible into such Equity Interests) representing 50% or more of the combined voting power of all Equity Interests of Parent entitled to vote for the election of members of the Board of Directors of Parent by Canopy or Canopy USA or any of their respective Affiliates, including the exercise of any rights under the Arrangement Agreements, shall be deemed not to be a "**Change of Control**" for purposes of this Agreement or the other Loan Documents.

"**Code**" means the New York Uniform Commercial Code, as in effect from time to time; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to Agent's Liens on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

"**Collateral**" means all assets and interests in assets, except Excluded Assets, and proceeds thereof now owned or hereafter acquired by any Loan Party and any other Person who has granted a Lien to Agent or the Lenders under the Loan Documents, in or upon which a Lien is granted by such Person in favor of Agent or the Lenders under any of the Loan Documents.

"**Collateral Assignment**" means a collateral assignment of any Loan Party's rights under any Lease.

"**Collateral Properties**" means the Real Property specified in Schedule Z.

"**Compliance Certificate**" means a certificate substantially in the form of Exhibit B to this Agreement delivered, on behalf of Borrower, by the chief financial officer or chief executive officer of Borrower to Agent and the Lenders.

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Connecticut Business**" means the hybrid medical and adult use retail operations owned by Thames Valley Apothecaries, LLC, D&B Wellness, LLC and Prime Wellness of Connecticut, LLC.

"**Consolidated Net Income**" means, for any period, the consolidated net income (or loss) of Parent and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of Borrower or is merged into or consolidated with Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of Borrower) in which Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of Borrower that is not a Loan Party to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Applicable Laws or the organizational documents or any contractual obligation (other than under any Loan Document) applicable to such Subsidiary.

"**Control Agreement**" means, with respect to any Deposit Account, Securities Account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance reasonably satisfactory to Agent, among Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Loan Party maintaining such account or owning such entitlement or contract, effective to grant "**control**" (within the meaning of Articles 8 and 9 under the applicable UCC) over such account to Agent.

"**Conversion Date**" has the meaning specified therefor in Section 2.3(g).

"**Core State**" means Connecticut, Illinois, Maine, Massachusetts, New Jersey, New York, Ohio and Pennsylvania or such other jurisdiction as may be deemed a "**Core State**" hereunder as mutually agreed between Agent and Borrower.

"**Cure Amount**" has the meaning specified therefor in Section 9.4(a).

"**Cure Right**" has the meaning specified therefor in Section 9.4(a).

"**Cure Right Deadline**" has the meaning specified therefor in Section 9.4(a).

"**Default**" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"**Deposit Account**" means any deposit account (as such term is defined in the Code).

"**Designated Account**" means the Deposit Account of Borrower identified on Schedule D-1 (or such other Deposit Account of Borrower located at Designated Account Bank that has been designated as such, in writing, by Borrower to Agent).

"**Designated Account Bank**" has the meaning specified therefor in Schedule D-1 (or such other bank that is located within the United States that has been designated as such, in writing, by Borrower to Agent).

"**Disposition**" has the meaning specified therefor in Section 6.4.

"**Disqualified Stock**" means any Stock that, by its terms (or by the terms of any security or other Stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loan and all other Obligations that are accrued and payable), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Stock that would constitute Disqualified Stock, in each case, prior to the date that is one hundred eighty (180) days after the Maturity Date.

"**Dollars**" or "**$**" means United States dollars.

"**EBITDA**" means, with respect to Parent and its Subsidiaries determined on a consolidated basis, for any period,

(f) Consolidated Net Income,

plus

(g) without duplication, the sum of the following amounts of Parent and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) Interest Expense (and to the extent not reflected in Interest Expense, (x) bank and letter of credit fees and premiums in connection with financing activities and (y) amortization of deferred financing and loan fees,

(ii) Taxes due and payable for such period, and

(iii) depreciation and amortization for such period, in each case, determined on a consolidated basis in accordance with GAAP.

"**EBITDA Cap**" has the meaning specified therefor in the definition of "**Adjusted EBITDA**".

"**EEA Financial Institution**" means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Effective Date**" means June 3, 2024.

"**Election**" has the meaning specified therefor in Section 2.5(c)(ii)

"**Environmental Action**" means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority or any third party involving material violations of Environmental Laws, or Releases of Hazardous Materials (a) at or from any assets, properties, or businesses of Borrower or any of its Subsidiaries, or any of their predecessors in interest, (b) from adjoining properties or businesses, or (c) at or from any facilities which received Hazardous Materials generated by Borrower or any of its Subsidiaries, or any of their predecessors in interest.

"**Environmental Law**" means any Applicable Law relating to worker health and safety, protection of the environment or natural resources, or the use, transportation, storage, disposal, Release or remediation of any Hazardous Material.

"**Environmental Liabilities**" means all material liabilities, monetary obligations, losses, damages, (including punitive damages, consequential damages and treble damages), costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

"**Environmental Lien**" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"**Equipment**" means equipment (as that term is defined in the Code).

"**Equity Interest**" means with respect to a Person, any (a) stock, partnership interest, membership interest or other equity interest in such Person or (b) any option, warrant or other right to acquire, convert into or exchange for an equity interest in such Person.

"**ERC Agreement**" means that certain Risk Participation of ERC Claim Agreement, by and among the ERC Lender, as buyer, by certain of the Subsidiary Guarantors party thereto, as sellers, and HSCP Service Company, LLC, Greenleaf Apothecaries LLC, Prime Wellness of Pennsylvania, LLC, The Botanist, Inc., Acreage CCF New Jersey, LLC, NYCANNA, LLC, In Grown Farms LLC 2, NCC LLC, Prime Wellness of Connecticut, LLC, Greenleaf Therapeutics, LLC, Thames Valley Apothecary LLC, HSCP Oregon, LLC, CWG Botanicals, Inc., D&B Wellness LLC, 22nd and Burn, Inc., The Firestation 23, Inc., East 11th Incorporated and Greenleaf Gardens, Inc., as buyers, in substantially the form attached as Exhibit D hereto.

"**ERC Lender**" means 1861 Acquisition LLC or any other lender approved by Agent in its reasonable discretion.

"**ERC Tax Refund Claim**" means the payments, proceeds or distributions from the Internal Revenue Service in respect of employee retention credits claimed by certain of the Loan Parties in the aggregate principal amount of $14,250,973.85.

"**ERISA**" means the *Employee Retirement Income Security Act* of 1974, as amended, and any successor statute thereto and the rules and regulations promulgated thereunder.

"**ERISA Affiliate**" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of Borrower or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of Borrower or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Borrower or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with Borrower or any of its Subsidiaries and whose employees are aggregated with the employees of the any Loan Party under IRC Section 414(o).

"**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan, (b) a withdrawal by Borrower or any of its Subsidiaries or ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a "**substantial employer**" (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, (c) a complete or partial withdrawal by Borrower or any of its Subsidiaries or ERISA Affiliates from a Multiemployer Plan or Borrower's receipt of notification that a Multiemployer Plan is in reorganization, (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or, with respect to a Multiemployer Plan, Borrower's receipt of notification of the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate such Multiemployer Plan, (e) the determination that any Pension Plan or, with respect to any Multiemployer Plan, Borrower's receipt of notification, that such Pension Plan or Multiemployer Plan, as applicable, is considered an at risk plan or a plan in critical or endangered status under the IRC, ERISA or the *Pension Protection Act* of 2006; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or, with respect to any Multiemployer Plan, Borrower's receipt of notification that an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer such Multiemployer Plan, or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any of its Subsidiaries or ERISA Affiliates.

"**Erroneous Payment**" has the meaning specified therefor in Section 16.13(a).

"**Erroneous Payment Deficiency Assignment**" has the meaning specified therefor in Section 16.13(d)(i).

"**Erroneous Payment Impacted Class**" has the meaning specified therefor in Section 16.13(d)(i).

"**Erroneous Payment Return Deficiency**" has the meaning specified therefor in Section 16.13(d)(i).

"**Erroneous Payment Subrogation Rights**" has the meaning specified therefor in Section 16.13(e).

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"**Event of Default**" has the meaning specified therefor in Section 8.1; provided that through and including January 15, 2025, the Specified Defaults shall not constitute Events of Default for any purposes hereunder (it being acknowledged that after January 15, 2025, unless the First Out Payout Date has occurred or the Specified Defaults have been waived in writing by the "Required First Out Lenders" (as defined in the Agreement Among Lenders), the Specified Defaults shall for all purposes hereunder constitute Events of Default which occurred on the actual date of their occurrence, such that, among other things, default interest may be imposed retroactively to the date of the actual occurrence of such Specified Events of Default).

"**Exchange Act**" means the *Securities Exchange Act* of 1934, as in effect from time to time.

"**Excluded Assets**" has the meaning specified therefor in the Security Agreement.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of a Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan pursuant to a law in effect on the date on which (i) a Lender acquires such interest in the Loan (other than pursuant to an assignment request by Borrower under Section 14.1(a)) or (ii) a Lender changes its lending office, except in each case to the extent that, pursuant to Section 16.11, amounts with respect to such Taxes were payable either to a Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 16.11(f) and (d) any withholding Taxes imposed under FATCA.

"**FATCA**" means Sections 1471 through 1474 of the IRC, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the IRC.

"**First Budget Delivery Date**" means the first date on which Borrower has delivered a 13-week cash flow forecast as the "Budget" for purposes of this Agreement in accordance with such definition.

"**First Out Lender**" has the meaning specified therefor in the Agreement Among Lenders.

"**First Out Payout Date**" means the date upon which all First Out Priority Obligations have either been "Paid in Full" or have been sold and assigned to the "Last Out Lenders" or their "Permitted Last Out Assignee" in accordance with the terms of the Agreement Among Lenders (the foregoing quoted terms are as defined in the Agreement Among Lenders).

"**First Out Priority Obligations**" has the meaning specified therefor in the Agreement Among Lenders.

"**Fixed Charge Coverage Ratio**" means, with respect to Parent and its Subsidiaries determined on a consolidated basis, for the four fiscal quarter period then ended, the ratio of (a) (i) Adjusted EBITDA for such trailing twelve (12) month period just ended minus (ii) Unfinanced Capital Expenditures made (to the extent not already incurred in a prior period) or incurred during such period and (iii) management fees, advisory fees, director fees or the like, to the extent not already captured in the calculation of Adjusted EBITDA, to (b) Fixed Charges for such period; provided that, Adjusted EBITDA, Unfinanced Capital Expenditures and such management fees, advisory fees, director fees or the like, to the extent not already captured in the calculation of Adjusted EBITDA, and Fixed Charges shall be determined, in the case of the following periods, as follows: for the fiscal quarters ending December 31, 2024 and March 31, 2025, the actual aggregate amount for the two consecutive fiscal quarter period then ending multiplied by two (2).

"**Fixed Charges**" means, with respect to any period and with respect to Parent and its Subsidiaries on a consolidated basis in accordance with GAAP, the sum, without duplication, of (a) Interest Expense accrued (other than interest paid-in-kind, amortization of financing fees, and other non-cash Interest Expense) during such period, (b) all principal payments in respect of Indebtedness that are paid during such period (including the principal portion of payments of Capital Lease Obligations), and (c) any distributions and dividends paid during such period.

"**Federal Cannabis Law**" has the meaning specified therefor in the definition of Applicable Law.

"**Foreign Lender**" means each Lender (or if the Lender is a disregarded entity for U.S. federal income tax purposes, the Person treated as the owner of the assets of such Lender for U.S. federal income tax purposes) that is not a United States person within the meaning of IRC section 7701(a)(30).

"**Foreign Plan**" means any employee benefit plan or arrangement that would be considered a "**defined benefit plan**" (as defined in Section 3(35) of ERISA) if such plan was maintained in the United States and that is (a) maintained or contributed to by Borrower or any of its Subsidiaries that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of Borrower or any of its Subsidiaries.

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"**Governing Documents**" means, with respect to any Person, the certificate or articles of incorporation, certificates of designations pertaining to preferred securities, by-laws, or other organizational documents of such Person.

"**Governmental Authority**" means the government of the United States, any foreign country or any multinational authority, or any state, province, territory, commonwealth, protectorate or

political subdivision thereof, and any entity, body or authority exercising executive, legislative, judicial, tax, regulatory or administrative functions of or pertaining to government, including, without limitation, other administrative bodies or quasi-governmental entities established to perform the functions of any such agency or authority, and any agency, branch or other governmental body (federal or state) charged with the responsibility, or vested with the authority to administer or enforce, any Applicable Laws.

"**Hazardous Materials**" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any Applicable Laws or regulations as "**hazardous substances,**" "**hazardous materials,**" "**hazardous wastes,**" "**toxic substances,**" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "**EP toxicity**" (b) petroleum and petroleum products, and (c) per- and polyfluoroalkyl substances (PFAS).

"**Hedge Agreement**" means a "**swap agreement**" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

"**Historical Financial Statements**" has the meaning specified therefor in Section 4.8.

"**Indebtedness**" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respects of non-exclusive licenses), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Stock of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

"**Indemnified Liabilities**" has the meaning specified therefor in Section 11.3.

"**Indemnified Person**" has the meaning specified therefor in Section 11.3.

"**Initial Agent Fee**" has the meaning specified therefor in Section 2.6(b).

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Insolvency Proceeding**" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"**Intellectual Property**" has the meaning specified therefor in the Security Agreement.

"**Intellectual Property Security Agreement**" means a collateral or security agreement pursuant to which the Loan Parties grant a security interest in its interests in certain Intellectual Property to Agent, as security for the Obligations.

"**Intercompany Subordination Agreement**" means that certain subordination agreement, dated as of the Original Closing Date, by and among the Agent (as successor-in-interest to the Original Administrative Agent) and the Loan Parties, as amended, restated or otherwise modified from time to time.

"**Interest Expense**" means, for any period, the aggregate of the interest expense of Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Interest Reserve**" has the meaning specified therefor in Section 9.4(a).

"**Inventory**" means inventory (as that term is defined in the Code).

"**Investment**" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, or capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business and consistent with past practice, and (b) bona fide accounts arising in the ordinary course of business consistent with past practice), purchase, or acquisitions of Indebtedness, Stock, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"**Investment Debt**" means that certain Indebtedness owed to Waterton Glacier LP pursuant to the Loan Agreement by and among HSCP CN Holdings II ULC, High Street Capital Partners, LLC and Waterton Glacier LP, dated September 28, 2020, as amended by Amendment No. 1 to HSCP CN Holdings II ULC Loan Agreement among HSCP CN Holdings II ULC, High Street Capital Partners, LLC and Waterton Glacier LP dated December 16, 2021 so long as no Loan Party is an obligor thereunder.

"**Investment Debt Documents**" means that certain Loan Agreement by and among HSCP CN Holdings II ULC, High Street Capital Partners, LLC and Waterton Glacier LP, dated September

28, 2020, as amended by Amendment No. 1 to HSCP CN Holdings II ULC Loan Agreement among HSCP CN Holdings II ULC, High Street Capital Partners, LLC and Waterton Glacier LP dated December 16, 2021, and any other amendments, modifications or supplements from time to time in accordance with the terms of this Agreement and the other documents and agreements, including any licenses, permits, waivers relating thereto or side letters or agreements affecting the terms thereof, executed in connection with the Investment Debt.

"**IRC**" means the United States Internal Revenue Code of 1986, as amended.

"**Late Fee**" has the meaning specified therefor in Section 2.6(a).

"**Lease**" means, with respect to any Leasehold Property, the lease, sublease or other agreement under the terms of which any Loan Party has or acquires from any Person any right to occupy or use such Real Property, or any part thereof, or interest therein, and each existing or future guaranty of payment or performance thereunder, and all extensions, renewals, modifications and replacements of each such lease, sublease, agreement or guaranty.

"**Leasehold Property**" means any leasehold interest of any Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Agent in its sole discretion as not being required to be included in the Collateral.

"**Lender**" and "**Lenders**" have the meaning set forth in the preamble to this Agreement, and shall include any other Person made a party to this Agreement pursuant to the provisions of Section 14.1.

"**Lender Election**" has the meaning specified therefor in Section 2.5(c)(ii).

"**Lender Group**" means each of the Lenders and Agent, or any one or more of them.

"**Lender Group Expenses**" means all of the following (without double-counting or duplication):

(a) reasonable and documented out-of-pocket costs or expenses (excluding Taxes (which are addressed in Section 10) required to be paid by Borrower or the other Loan Parties under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group);

(b) documented, reasonable, out of pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with Parent and the other Loan Parties under any of the Loan Documents, including fees or charges for background checks and OFAC/PEP searches (in each case, solely to the extent contemplated by this Agreement), photocopying, notarization, couriers and messengers, telecommunication, third party digital automation services and compliance software, public record searches, filing fees, recording fees, publication, real estate surveys (solely to the extent contemplated by this Agreement), real estate title policies and endorsements (solely to the extent contemplated by this Agreement), and environmental audits (solely to the extent contemplated by this Agreement);

(c) Agent's customary and documented fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Loan Party or other members of the Lender Group (whether by wire transfer or

otherwise) together with any reasonable and documented out-of-pocket costs and expenses incurred in connection therewith;

(d) reasonable and documented charges paid, imposed or incurred by Agent and/or any Lender resulting from the dishonor of checks payable by or to any Loan Party;

(e) reasonable documented out of pocket costs and expenses paid or incurred by the Lender Group to correct any Event of Default or enforce any provision of the Loan Documents, or, upon the occurrence and during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated;

(f) solely to the extent contemplated by the terms of this Agreement, financial examination, audit, and valuation reasonable and documented fees and reasonable and documented out-of-pocket expenses of Agent related to any inspections or financial examination, audit, and valuation to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement (including, without limitation, any such fees and expenses described in Section 2.10); provided that, such limits shall not apply during the continuance of an Event of Default;

(g) Agent's reasonable and documented out of pocket costs and expenses (including reasonable and documented expenses of one primary counsel) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or otherwise in connection with the transactions contemplated by the Loan Documents, Agent's Liens in and to the Collateral, or the Lender Group's relationship with Parent or any other Loan Party, except with respect to such claims arising from the gross negligence of willful misconduct of Agent or any Lender as determined by the final and non-appealable judgment of a court of competent jurisdiction;

(h) Agent's and each Lender's reasonable documented costs and expenses (including reasonable and documented attorney's fees and due diligence expenses of (i) external counsel to Agent and the Lenders, taken as a whole, (ii) local firm of counsel in each appropriate material jurisdiction (which may include a single special counsel acting in multiple jurisdictions), and (iii) any additional counsel if one or more actual or potential conflicts of interest arise for each class of similarly situated Persons) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable costs and expenses relative to the rating of the Loan, CUSIP, DXSyndicate, SyndTrak or other communication costs incurred in connection with a syndication of the loan facilities), amending, waiving, or modifying the Loan Documents; and

(i) Agent's and each Lender's documented costs and expenses (including documented attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a "**workout,**" a "**restructuring,**" or an Insolvency Proceeding concerning Parent or any other Loan Party or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective

of whether a lawsuit or adverse proceeding is brought, or in taking any enforcement action or Remedial Action concerning the Collateral.

"**Lender Group Representatives**" has the meaning specified therefor in Section 17.7(a).

"**Lender Observer**" has the meaning specified therefor in Section 5.17.

"**Lender-Related Person**" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"**Lien**" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"**Loan**" means any loan made under the Original Credit Agreement and constituting Pre-Existing Borrowings hereunder, together with any payment in kind interest which is added thereto in accordance with the terms hereof, and "**Loans**" means all of them, collectively.

"**Loan Account**" has the meaning specified therefor in Section 2.9.

"**Loan Documents**" means this Agreement, the Agreement Among Lenders, the Parent Guaranty, any Subsidiary Guaranties, the Security Agreement, the Pledge Agreement, the Control Agreements, any Intellectual Property Security Agreements, the Mortgages, any Collateral Assignments, and any other instrument or agreement entered into, now or in the future, by Parent or any other Loan Party or any shareholder of Parent or any other Loan Party, and any member of the Lender Group in connection with this Agreement, in each case, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"**Loan Exposure**" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of Loans held by such Lender at such time.

"**Loan Party**" means Parent, Borrower or any Subsidiary Guarantor, and "**Loan Parties**" means all of them, collectively.

"**Margin Stock**" has the meaning specified in Regulation U of the Board of Governors as in effect from time to time.

"**Material Adverse Effect**" means a material adverse effect on (i) the business, operations, results of operations, assets, liabilities or condition (financial or otherwise) of Parent and the other Loan Parties (taken as a whole), which causes a material impairment of their ability to perform their respective obligations under the Loan Documents; (ii) the legality, validity, or enforceability of the Loan Documents under Applicable Law; (iii) the Lender Group's ability to enforce the Obligations or realize upon the Collateral under Applicable Law or (iv) an impairment of the enforceability or priority of Agent's Liens with respect to the Collateral under Applicable Law; provided, that in determining whether a Material Adverse Effect has occurred, there shall be excluded any change in GAAP.

"**Material Contract**" means, with respect to any Person, (i) each contract or agreement to which such Person is a party involving aggregate revenues payable to or consideration payable to or by such Person of five hundred thousand Dollars ($500,000) or more (other than purchase orders or customer agreements in the ordinary course of the business of such Person and other than contracts that by their terms may be terminated by such Person in the ordinary course of its business upon less than forty five (45) days' notice without penalty or premium), (ii) any Lease, and (iii) all other contracts or agreements, the loss of which would reasonably be expected to result in a Material Adverse Effect.

"**Material Indebtedness**" means any Indebtedness in excess of five hundred thousand Dollars ($500,000) in aggregate outstanding principal amount, but shall not include the Investment Debt.

"**Maturity Date**" means January 1, 2026, subject to the Maturity Date Extension.

"**Maturity Date Extension**" has the meaning set forth in Section 2.3(g).

"**Measurement Period**" means (i) the period of four consecutive weeks ending on the last Friday of the second full calendar month after the Effective Date and (ii) each subsequent period of four consecutive weeks.

"**Moody's**" has the meaning specified therefor in the definition of Cash Equivalents.

"**Mortgage**" means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by any Loan Party in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property owned by any Loan Party.

"**Mortgage Supporting Documents**" means, with respect to each Mortgage for a parcel of Real Property, each the following:

(j) (i) evidence in form and substance reasonably satisfactory to Agent that the recording of counterparts of such Mortgage in the recording offices specified in such Mortgage will create a valid and enforceable first priority lien on property described therein in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve and (ii) an opinion of counsel in each state in which any such Mortgage is to be recorded in form and substance and from counsel reasonably satisfactory to Agent;

(k) a lender's Title Insurance Policy dated a date reasonably satisfactory to Agent, which shall (i) be in an amount not less than the appraised value (determined by reference to an appraisal) of such parcel of Real Property in form and substance satisfactory to Agent, (ii) insure that the Lien granted pursuant to the Mortgage insured thereby creates a valid first Lien on such parcel of Real Property free and clear of all defects and encumbrances, except for Liens permitted hereunder and for such defects and encumbrances as may be approved by Agent, (iii) name Agent as the insured thereunder, (iv) contain such endorsements as Agent deems reasonably necessary, and (v) be otherwise in form and substance reasonably satisfactory to Agent;

(l) copies of a recent ALTA survey of such parcel of Real Property in form and substance satisfactory to Agent, but in any event allowing for the Title Insurance Policy to be issued without a standard survey exception (unless otherwise agreed by Agent) and with same as survey endorsement;

(m) evidence in form and substance reasonably satisfactory to Agent that all premiums in respect of the lender's Title Insurance Policy, all recording fees and stamp, documentary, intangible or mortgage taxes, if any, in connection with the Mortgage have been paid;

(n) concurrent with the delivery of any Mortgage of Real Property, (i) a completed standard "**life of loan**" flood hazard determination form, (ii) if the improvements to the applicable improved property is located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "**Flood Hazard Property**"), a written notification to Borrower ("Borrower Notice"), (iii) Borrower's written acknowledgment of receipt of Borrower Notice as to the fact that such Real Property is a Flood Hazard Property and as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (iv) if Borrower Notice is required to be given and flood insurance is available in the community in which the applicable Real Property is located, copies of the applicable Loan Party's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued and naming Agent as loss payee on behalf of the Lender Group; and

(o) such other agreements, documents and instruments in form and substance reasonably satisfactory to Agent as Agent deem necessary or appropriate to create, register or otherwise perfect, maintain, evidence the existence, substance, form or validity of, or enforce a valid and enforceable first priority lien on such parcel of Real Property in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (i) Liens permitted hereunder and (ii) such other Liens as Agent may reasonably approve.

"**Multiemployer Plan**" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any of its Subsidiaries or any ERISA Affiliates makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"**Net Cash Proceeds**" means, (a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration when actually received) by or on behalf of Parent or any of its Subsidiaries, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under this Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by such Parent or such Subsidiary in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities by such Parent or such Subsidiary in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or payable to a Person that is not an Affiliate of such Parent or such Subsidiaries

and are properly attributable to such transaction and (iv) indemnity escrow arrangements (solely to the extent permitted by Agent in writing); and (b) with respect to the issuance or incurrence of any Indebtedness by Parent or any of its Subsidiaries, or the issuance by Parent or any of its Subsidiaries of any Stock, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of such Parent or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by such Parent or such Subsidiary in connection with such issuance or incurrence and (ii) taxes paid or payable to any taxing authorities by such Loan Party in connection with such issuance or incurrence, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of such Loan Party, and are properly attributable to such transaction.

"**New York Time**" means Eastern Standard Time or Eastern Daylight Time, as applicable.

"**Non-Core Entity**" and "**Non-Core Entities**" means any Subsidiary of Borrower that owns Real Property exclusively located in a Non-Core State or holds a Cannabis License exclusively issued by a Non-Core State. The Non-Core Entities as of the Effective Date are set forth on Schedule N under the heading "**Non-Core Real Estate Entities**".

"**Non-Core State**" and "**Non-Core States**" means any states that are not Core States.

"**Obligations**" means all loans (including the Loans), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, including any Agent Fee (if any), Late Fee, liabilities (including all amounts charged to the Loan Account pursuant to this Agreement), obligations (including indemnification obligations and obligations to pay, discharge and satisfy the Erroneous Payment Subrogation Rights), other fees, charges, costs, Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by this Agreement or any other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Parent or any other Loan Parties are required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding. Without limiting the generality of the foregoing, the Obligations of Loan Parties under the Loan Documents include the obligation to pay (i) the principal of the Loans, (ii) interest accrued on the Loans, (iii) Lender Group Expenses, (iv) fees payable under this Agreement or any of the other Loan Documents, and (v) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"**OFAC**" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"**Original Administrative Agent**" has the meaning specified therefor in the Preliminary Statements.

"**Original Closing Date**" means December 16, 2021.

"**Original Credit Agreement**" has the meaning set out in the Preliminary Statements.

"**Original Lenders**" has the meaning specified therefor in the Preliminary Statements.

"**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.11(b)).

"**Outstanding Amount**" means, at any time, the aggregate outstanding principal balance of the Loans at such time immediately prior to giving effect to any prepayment thereof.

"**Parent**" has the meaning specified therefor in the preamble to this Agreement.

"**Parent Guaranty**" means that certain guaranty agreement, dated as of the Original Closing Date, executed and delivered by Parent, Acreage Holdings WC, Inc., and Acreage Holdings America, Inc., to Agent on behalf of the Lender Group, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"**Participant**" has the meaning specified therefor in Section 14.1(b).

"**Participant Register**" has the meaning specified therefor in Section 14.1(b).

"**Patriot Act**" has the meaning specified therefor in Section 4.16.

"**Payment Recipient**" has the meaning specified therefor in Section 16.13(a).

"**PBGC**" means the Pension Benefit Guaranty Corporation or any successor agency.

"**Pension Plan**" means any "**employee pension benefit plan**" (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by Borrower or any of its Subsidiaries or ERISA Affiliates or to which such Loan Party or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple

employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five (5) plan years.

"**PEP**" has the meaning specified therefor in Section 4.23.

"**Perfection Certificate**" means a certificate in form satisfactory to Agent that provides information with respect to the personal, real or mixed property of the Loan Parties.

"**Permits**" means, in respect of any Person, all licenses, permits, franchises, consents, rights, privileges, certificates, authorizations, approvals, registrations and similar consents granted or issued by any Governmental Authority to which or by which such Person is bound or as to which its assets are bound or which has regulatory authority over such Person's business and operations; provided, however, that "**Permits**" shall not mean any Cannabis License.

"**Permitted Canopy Transaction**" means the acquisition by Canopy, Canopy USA, LLC or any of their respective Affiliates, directly or indirectly, of Equity Interests of Parent (or other securities convertible into such Equity Interests) representing 50% or more of the combined voting power of all Equity Interests of Parent entitled to vote for the election of members of the Board of Directors of Parent.

"**Permitted Assignee**" means:

(p) Agent, any Lender or any of their direct or indirect Affiliates; and

(q) any fund that is administered or managed by Agent or any Lender or an Affiliate of Agent or any Lender.

"**Permitted Dispositions**" means:

(r) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(s) any involuntary loss, damage or destruction of property;

(t) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business;

(u) sales of Inventory, products or services to buyers in the ordinary course of business;

(v) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(w) the licensing, on a non-exclusive basis, of Intellectual Property in the ordinary course of business;

(x) the sale, assignment, transfer, or disposition, in each case without recourse, of accounts receivable or any delinquent receivables, in each case arising in the ordinary course of business, and only in connection with the compromise, settlement or collection thereof;

(y) the lapse or abandonment of registered patents, trademarks, copyrights and other intellectual property of Borrower and its Subsidiaries to the extent not economically desirable in the conduct of their business;

(z) to the extent constituting a Disposition, the making of Restricted Payments that are expressly permitted to be made pursuant to this Agreement;

(aa) to the extent constituting a Disposition, the making of Permitted Investments that are expressly permitted to be made pursuant to this Agreement;

(ab) intercompany dispositions of assets from a Loan Party to another Loan Party (other than any disposition to a Non-Core Entity that would result in it no longer being a Non-Core Entity);

(ac) other issuances of Stock of Borrower or the Parent;

(ad) (i) terminations of leases, subleases, licenses, sub-licenses and agreements in the ordinary course of business and (ii) the surrender or waiver of contractual rights or the settlement release or surrender of contract or tort claims in the ordinary course of business, in each case, to the extent not interfering in any material respect with the business of the Loan Parties;

(ae) [Reserved];

(af) the sale or disposition of any Real Property, Leasehold Property, assets held by, or equity interests in, a Non-Core Entity, the sale or disposition of 510 N. Mantua, Boulevard, Sewell, New Jersey 08080, or the sale or disposition of Real Property located at 10 Grove Street, City of Bridgeton, New Jersey 08302;

(ag) the disposition of the ERC Tax Refund Claim to ERC Lender in accordance with the ERC Agreement;

(ah) any other dispositions of property, with all such property disposed of pursuant to this clause (q) not to exceed a value of five hundred thousand Dollars ($500,000) in any fiscal year, determined by the greater of (i) the aggregate fair market value or (ii) original purchase price or acquisition cost of such property; and

(ai) the sale, transfer or disposition of the Connecticut Business for cash and for fair market value so long as the Net Cash Proceeds thereof are applied as set forth in Section 2.3(f).

"**Permitted Indebtedness**" means:

(aj) Indebtedness evidenced by this Agreement and the other Loan Documents;

(ak) endorsement of instruments or other payment items for deposit;

(al) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantees and similar obligations incurred in the ordinary

course of business, and (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions;

(am) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to any Loan Party, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(an) Indebtedness incurred in the ordinary course of business in respect of Cash Management Services in an aggregate amount not to exceed two hundred fifty thousand Dollars ($250,000) at any time;

(ao) unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business;

(ap) (i) Indebtedness in respect of unsecured intercompany loans and advances solely as between Loan Parties, subject to the Intercompany Subordination Agreement and (ii) unsecured Indebtedness of the Parent up to $18,000,000, provided that the Indebtedness referred to in this clause (ii) shall not be repayable in cash or, to the extent such Indebtedness is repayable in cash, no cash payments with respect to such Indebtedness may be required before, and the final maturity date with respect to such Indebtedness shall be, no earlier than ninety one (91) days after the Maturity Date;

(aq) Permitted Purchase Money Indebtedness;

(ar) the Investment Debt so long as (i) Parent or any other Loan Party does not at any time guaranty such Indebtedness, (ii) the Investment Debt Documents do not contain any cross-default with respect to the Obligations, and (iii) prior to the first anniversary of the Original Closing Date, the interest rate on such indebtedness shall be paid in cash and on and after the first year anniversary of the Original Closing Date, the interest rate on such indebtedness shall only be paid in kind;

(as) Indebtedness comprising or arising from (i) Permitted Investments or (ii) Restricted Payments permitted pursuant to Section 6.8;

(at) guaranties of other Permitted Indebtedness;

(au) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(av) reasonable and customary indemnification obligations incurred in the ordinary course of business or pursuant to a transaction otherwise permitted under this Agreement, to the extent constituting Indebtedness;

(aw) any Taxes that (i) are not yet delinquent or (ii) are the subject of Permitted Protests;

(ax) trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices that are ninety (90) days or more past due in an aggregate amount (offset by contra-accounts and good faith counterclaims against the payee thereof) not to exceed One Million Dollars ($1,000,000) outstanding at any one time;

(ay) Indebtedness owing to the ERC Lender and incurred under the ERC Agreement in an aggregate principal amount not to exceed $14,250,973.85; and

(az) any other unsecured Indebtedness so long as (i) such Indebtedness shall be subordinated to the Obligations upon terms satisfactory to Agent in its sole discretion, (ii) the interest rate on such Indebtedness shall only be paid in kind and not exceed twenty percent (20%) per annum and (iii) the final maturity date with respect to such Indebtedness shall be no earlier than ninety one (91) days after the Maturity Date.

"**Permitted Investments**" means:

(ba) Investments in cash and Cash Equivalents;

(bb) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business and consistent with past practice;

(bc) advances (including to trade creditors) made in connection with purchases of goods or services in the ordinary course of business;

(bd) Stock or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims;

(be) deposits of cash made in the ordinary course of business to secure performance of operating leases by Borrower that is lessee under such lease;

(bf) Investments made in the form of capital contributions or loans by a Loan Party to another Loan Party;

(bg) Investments existing on the Effective Date in the Stock of direct or indirect Subsidiaries of Borrower existing on the Effective Date;

(bh) the maintenance of deposit accounts and securities accounts in the ordinary course of business and not in violation of this Agreement;

(bi) [reserved]; and

(bj) other Investments not to exceed five hundred thousand Dollars ($500,000) in the aggregate at any time outstanding.

"**Permitted Liens**" means:

(bk) Agent's Liens;

(bl) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) do not have priority over Agent's Liens and the underlying Taxes are the subject of Permitted Protests;

(bm) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.1 of the Agreement;

(bn) Liens set forth on Schedule P-1; provided that, to qualify as a Permitted Lien, any such Lien described on Schedule P-1 shall only secure the Indebtedness that it secures on the Original Closing Date;

(bo) the interests of lessors under operating leases and UCC financing statements filed as a precautionary measure in connection with operating leases or consignment of goods;

(bp) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances, none of which interfere in any material respect with the ordinary course of business of the Loan Parties;

(bq) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, repairmen, workmen or suppliers, or other statutory Liens, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either are for sums not yet delinquent or are subject to Permitted Protest;

(br) Liens on amounts pledged or deposited in connection with obtaining worker's compensation or other unemployment insurance;

(bs) Liens on amounts deposited to secure any Loan Party's obligations in connection with the making or entering into of bids, tenders, trade contracts (other than for borrowed money), government contracts, statutory obligations, leases and other obligations of a like nature, or leases in the ordinary course of business and not in connection with the borrowing of money;

(bt) Liens on amounts deposited to secure any Loan Party's obligations as security for surety, stay, custom, appeal performance and return of money bonds, and bonds of a like nature, in connection with obtaining such bonds in the ordinary course of business;

(bu) non-exclusive licenses of Intellectual Property in the ordinary course of business;

(bv) Liens on unearned insurance premiums securing the financing thereof;

(bw) purchase money Liens or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset purchased or acquired and improvements thereon and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset purchased or acquired (and improvements thereon);

(bx) Liens on deposit accounts granted or arising in the ordinary course of business in favor of depositary banks maintaining such deposit accounts solely to secure customary account fees and charges payable in respect of such deposit accounts and overdrafts not in violation of this Agreement;

(by) Liens in favor of the ERC Lender arising under the ERC Agreement so long as such Lien attaches only to the ERC Tax Refund Claim and proceeds thereof;

(bz) any other Liens securing Indebtedness in an aggregate amount not to exceed five hundred thousand Dollars ($500,000); and

(ca) without duplication, Permitted Priority Liens.

"**Permitted Priority Liens**" means Permitted Liens which are non-consensual.

"**Permitted Protest**" means the right of Borrower or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien) or rental payment; provided that (a) a reserve with respect to such obligation is established on such Borrower's or Subsidiary's books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by such Borrower or such Subsidiary, as applicable, in good faith, and (c) the Required Lenders are reasonably satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens or result in a Material Adverse Effect.

"**Permitted Purchase Money Indebtedness**" means, as of any date of determination, Indebtedness (other than the Obligations, but including, for the avoidance of doubt, Capitalized Lease Obligations and other obligations in respect of Capital Leases), incurred after the Original Closing Date and either (i) at the time of, or within ninety (90) days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof or (ii) Capital Leases on arm's length terms for real property (such as Collingswood) acquired by Koach Capital or other financial institutions reasonably acceptable to Agent on which the Loan Parties conduct operating facilities, so long as at the time of incurrence of such Capital Leases, (A) there is no Default or Event of Default outstanding (in each case other than the Specified Defaults) and (B) the net cash proceeds, if any, received in release of the real property subject to such Capital Lease are applied to the First Out Priority Obligations.

"**Permitted Tax Payments**" means dividends or distributions paid by Borrower or any Subsidiary of Borrower to its direct or indirect owners to pay the actual cash tax liabilities of such direct or indirect owners (after giving effect to any net operating losses or other credits available to such Person) arising as a result of such Person's equity in such Borrower or such Subsidiary of Borrower.

"**Person**" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"**PIK Election**" has the meaning specified therefor in Section 2.5(c)(ii).

"**Plan**" means any employee benefit plan (as defined in Section 3(3) of ERISA) established by Borrower or any of its Subsidiaries or, with respect to any such plan that is subject to Section 412 of the IRC or Title IV of ERISA, an ERISA Affiliate.

"**Pledge Agreement**" means the Pledge Agreement, effective as of the Original Closing Date, executed and delivered by each of the pledgors party thereto to Agent on behalf of the Lender Group, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"**Pre-Existing Borrowings**" has the meaning specified therefor in Section 1.7(c).

"**Prime Rate**" means the rate of interest last quoted by The Wall Street Journal as the "**Prime Rate**" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "**bank prime loan**" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by Agent) or any similar release by the Federal Reserve Board (as determined by Agent). Any change in the Prime Rate shall take effect at the opening of business on the day such change is publicly announced or quoted as being effective.

"**Pro Rata Share**" means, as of any date of determination, with respect to any Lender, the percentage obtained by dividing (a) the Loan Exposure of such Lender by (b) the aggregate Loan Exposure of all Lenders, which, as of the Effective Date is set forth on Schedule 1.7(c), and which percentage may be adjusted from time to time by assignments permitted pursuant to Section 14.1.

"**Qualified Stock**" means and refers to any Stock issued by Borrower (and not by one or more of their Subsidiaries) that is not a Disqualified Stock.

"**Real Property**" means any estates or interests in real property now owned or hereafter acquired by any Loan Party and the improvements thereto.

"**Recipient**" means (a) Agent, or (b) any Lender, as applicable.

"**Register**" has the meaning specified therefor in Section 14.1(a)(iii).

"**Regulatory Authority**" means every Person, political subdivision, agency, commission or similar authority authorized by any Governmental Authority with jurisdiction over Borrower to regulate the growth, processing, testing, or sale of cannabis or medical marijuana in any State in which Borrower operates.

"**Release**" means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, emanating or migrating in, into, onto or through the environment.

"**Remedial Action**" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"**Replacement Lender**" has the meaning specified therefor in Section 2.11(b).

"**Reportable Event**" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

"**Required Lenders**" means, at any time, (a) Agent and (b) Lenders having or holding more than fifty percent (50.00%) of the Outstanding Amount.

"**Restricted Payment**" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Stock issued by any other Loan Party (including any payment in connection with any merger or consolidation involving any Loan Party) or to the direct or indirect holders of Stock issued by any Loan Party in their capacity as such (other than dividends or distributions payable in Qualified Stock issued by a Loan Party), (b) purchase, redeem, make any sinking fund or similar payment, or otherwise acquire or retire for value (including in connection with any merger or consolidation involving any Loan Party) any Stock issued by any Loan Party, (c) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Stock of any Loan Party now or hereafter outstanding, (d) make, or cause or suffer to permit any Loan Party to make, any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any subordinated Indebtedness, and (e) make any payment with respect to (i) any earnout obligation or similar deferred or contingent obligation other than reasonable and customary bonuses, commissions, or similar payments to employees of the Loan Parties or (ii) advisory fees to any Affiliate of a Loan Party, including any allocation or sharing of overhead, selling, general or administrative expenses, taxes or other shared business expenses.

"**S&P**" has the meaning specified therefor in the definition of Cash Equivalents.

"**Sale Assets**" has the meaning specified therefor in Section 9.3(a).

"**Sale Notice**" has the meaning specified therefor in Section 9.3.

"**Sanctions Laws**" means all Applicable Laws concerning or relating to economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by OFAC, including, but not limited to, the following (together with their implementing regulations, in each case, as amended from time to time): the International Security and Development Cooperation Act (ISDCA) (22 U.S.C. §23499aa-9 et seq.) and the *Trading with the Enemy Act* (TWEA) (50 U.S.C. §5 et seq.).

"**Sanctioned Entity**" means (a) a country, region or territory or a government of a country, region or territory, (b) an agency of the government of a country, region or territory, (c) an organization directly or indirectly controlled by a country, region or territory, or its government, (d) a Person resident in or determined to be resident in a country, region or territory, in each case, that is subject to a country, region or territory, as applicable, sanctions program administered and enforced by OFAC.

"**Sanctioned Person**" means any Person that is a designated target of Sanctions Laws or is otherwise a subject of Sanctions Laws, including as a result of being (i) owned, held or controlled by any Person which is a designated target of Sanctions Laws, (ii) located or resident

in, a national of, or organized under the laws of, any country that is subject to general or country-wide Sanctions Laws, or (iii) a Person named on the list of Specially Designated Nationals maintained by OFAC, or any Person owned fifty percent (50.00%) or more by one or more of such Persons.

"**SEC**" means the United States Securities and Exchange Commission and any successor thereto.

"**Securities Account**" means a securities account (as that term is defined in the Code).

"**Security Agreement**" means the Security Agreement, dated as of the Original Closing Date, executed and delivered by the Loan Parties to Agent on behalf of the Lender Group, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"**Senior Funded Indebtedness**" means, as of any date of determination, the sum of the outstanding principal amount of the Loans hereunder outstanding on such date with respect to the Loan Parties and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

"**Senior Leverage Ratio**" means, as of any date of determination, the ratio of (i) the amount of Senior Funded Indebtedness as of such date, to (ii) Adjusted EBITDA for the consecutive four (4) fiscal quarter period ended as of such date; provided that, Adjusted EBITDA shall be determined, in the case of each of the following periods, as follows: for the fiscal quarters ending December 31, 2024 and March 31, 2025, the actual aggregate amount for the two consecutive fiscal quarter period then ending multiplied by two (2).

"**Specified Defaults**" has the meaning specified therefor in the Preliminary Statements.

"**Stock**" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "**equity security**" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the *Exchange Act*).

"**Subsidiary**" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity. Unless otherwise indicated, any use of the term Subsidiary shall mean a Subsidiary of Borrower.

"**Subsidiary Guarantor**" means those certain Subsidiaries of a Loan Party or Parent in existence as of the Effective Date and set forth on Schedule S, and any Subsidiary of a Loan Party formed or acquired after the Effective Date that becomes a guarantor of the Obligations pursuant to Section 5.11 of the Agreement.

"**Subsidiary Guaranty**" means any guaranty agreement entered into at any time on or after the Effective Date executed and delivered by any Subsidiary Guarantors to Agent on behalf of the Lender Group, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), fees, assessments or other charges imposed by any Governmental Authority or Regulatory Authority, including any interest, additions to tax or penalties applicable thereto.

"**Title Insurance Policy**" means a mortgagee's loan policy, in form and substance satisfactory to Agent, together with all reasonable endorsements made from time to time thereto, issued to Agent by or on behalf of a title insurance company selected by or otherwise satisfactory to Agent, insuring the Lien created by a Mortgage in an amount and on terms and with such endorsements satisfactory to Agent, subject to Permitted Liens, delivered to Agent.

"**Total Funded Indebtedness**" means, as of any date of determination and without duplication, the sum of (i) the outstanding principal amount of the Loans hereunder and all other Indebtedness for borrowed money of Parent and its Subsidiaries as of such date plus (ii) the outstanding principal amount of any revolving loans outstanding at such date (excluding any undrawn amounts under any such applicable revolving credit facilities), with respect to the Loan Parties and their Subsidiaries determined on a consolidated basis in accordance with GAAP.

"**Total Leverage Ratio**" means, as of any date of determination, the ratio of (i) the amount of Total Funded Indebtedness as of such date, to (ii) Adjusted EBITDA for the consecutive four (4) fiscal quarter period ended as of such date; provided that, Adjusted EBITDA shall be determined, in the case of each period below, as follows: for the fiscal quarters ending December 31, 2024 and March 31, 2025, the actual aggregate amount for the two consecutive fiscal quarter period then ending multiplied by two (2).

"**Unfinanced Capital Expenditures**" means, with respect to any Person for any period, Capital Expenditures by such Person and its Subsidiaries during such period that are not financed by Indebtedness; provided, that this shall only include Capital Expenditures exceeding $50,000,000 in any fiscal year and not otherwise approved by Agent.

"**United States**" means the United States of America.

"**U.S. Person**" means any Person that is a "**United States person**" as defined in Section 7701(a)(30) of the IRC.

"**Voidable Transfer**" has the meaning specified therefor in Section 17.6.

"**VRT**" has the meaning specified therefor in the preamble to this Agreement.

"**Write-Down and Conversion Powers**" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 **Accounting Terms**

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. When used herein, the term "**financial statements**" shall include the notes and schedules thereto. Whenever the term "**Parent**" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis,

unless the context clearly requires otherwise. Whenever the term "**Borrower**" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (or any similar accounting principle or other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof or (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (b) the term "**unqualified opinion**" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that does not include any qualification or supplemental comment concerning the scope of the audit. Notwithstanding anything to the contrary contained herein or in the definition of "**Capital Lease Obligations,**" any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842) ("**FAS 842**"), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith. If at any time any change in GAAP would affect the computation of any financial ratio or covenant set forth in any Loan Document, and either Borrower or the Required Lenders shall so request, Agent, the Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Agent and the Lenders unaudited financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.3 **Code**

Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 **Construction**

Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "**includes**" and "**including**" are not limiting, and the term "**or**" has, except where otherwise indicated, the inclusive meaning represented by the phrase "**and/or.**" The words "**hereof,**" "**herein,**" "**hereby,**" "**hereunder,**" and similar terms in this Agreement or any other

Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "**asset**" and "**property**" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other Loan Document to the satisfaction, prepayment, repayment, or payment in full of the Obligations shall mean the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, the outstanding Loans, (ii) all Lender Group Expenses that have accrued and are unpaid (other than contingent obligations in respect of which no claim has been made) and (iii) all fees or charges that have accrued hereunder or under any other Loan Document and are unpaid (including in all cases all interest, Lender Group Expenses, fees or charges incurred or accrued during the pendency of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in such Insolvency Proceeding). Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

1.5 **Schedules and Exhibits**

All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

1.6 **Documents Executed by an Officer**

Any document delivered hereunder that is signed by an officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate or other organizational action on the part of such Loan Party and such officer shall be conclusively presumed to have acted on behalf of such Loan Party.

1.7 **Amendment and Restatement**

(a) This Agreement is an amendment and restatement of the Original Credit Agreement and is not a novation of the Original Credit Agreement. This Agreement reflects amendments to the Original Credit Agreement that have been agreed upon by the parties thereto and has been restated solely for the purposes of incorporating such amendments in a consolidated format.

(b) All references to the "Credit Agreement" or similar references to the Original Credit Agreement in any of the other Loan Documents shall mean and be a reference to this Agreement, as it may be further amended, supplemented, restated or replaced from time to time, without any requirement to amend such Loan Documents.

(c) All Obligations (as defined in the Original Credit Agreement) under the Original Credit Agreement shall be continuing with only the terms thereof being modified

as provided in this Agreement, and this Agreement shall not evidence or result in a novation or an accord and satisfaction of such Obligations. Specifically, all "Loans" outstanding under the Original Credit Agreement as at the Effective Date, together with all Accrued 1106 Obligations and all Accrued VRT Obligations (each of which shall be capitalized as of the Effective Date and form part of the aggregate principal amount outstanding hereunder) (collectively, the "**Pre-Existing Borrowings**") will be deemed to be Loans outstanding under this Agreement as of the Effective Date, shall comprise the Outstanding Amount as of the Effective Date and will be subject to the terms and conditions of this Agreement. Interest and fee pricing with respect to Pre-Existing Borrowings for any period prior to the Effective Date shall be as set out in the Original Credit Agreement. Interest and fee pricing with respect to Pre-Existing Borrowings from and after the Effective Date shall be as set out in this Agreement. Each Loan Party hereby acknowledges, ratifies, and confirms that as of the Effective Date, the aggregate principal balance of the Pre-Existing Borrowings, and the allocation thereof between the Lenders, is as set forth on Schedule 1.7(c) hereto.

1.8 **Ratification of Liability**

As of the Effective Date, the Borrower, Parent and the other Loan Parties, as debtors, grantors, pledgors, mortgagors, guarantors, assignors, or in other similar capacities in which such parties grant liens or security interests in their properties or otherwise act as accommodation parties or guarantors, as the case may be, under the Loan Documents to which they are a party, hereby (a) acknowledge, confirm, reaffirm, ratify and/or agree that (i) all of the terms and conditions of the Loan Documents executed prior to the Effective Date and any other Loan Document being executed and delivered as of the Effective Date shall be and remain in full force and effect, as so amended and restated, as applicable, and shall constitute the legal, valid, binding and enforceable obligation of the Loan Parties party thereto, (ii) this Agreement shall not release or impair the rights, duties, obligations or Liens created pursuant to the Original Credit Agreement, the Loan Documents executed prior to the Effective Date or any other Loan Document, in each case, to the extent in force and effect thereunder as of the Effective Date and except as modified hereby or by documents, instruments and agreements executed in connection herewith, and (iii) after giving effect to this Agreement, no right of offset, defense, counterclaim, recoupment, claim, cause of action or objection in favor of such Loan Party against Agent or any Lender exists as of the date hereof arising out of or with respect to any Loan Document to which such Loan Party is a party, and (b) ratify and reaffirm all of their payment and performance obligations and obligations to indemnify, contingent or otherwise, under each of such Loan Documents to which they are a party, and ratify and reaffirm their grants of liens on or security interests in their properties pursuant to such Loan Documents to which they are a party, respectively, as security for the Obligations, and as of the Effective Date, each such Person hereby confirms and agrees that such liens and security interests hereafter secure all of the Obligations, including, without limitation, all additional Obligations hereafter arising or incurred pursuant to or in connection with this Agreement, the Original Credit Agreement or any other Loan Document. As of the Effective Date, the Borrower, Parent and the other Loan Parties further agree and reaffirm that the Loan Documents to which they are parties now apply to all Obligations as defined in this Agreement (including, without limitation, all additional Obligations hereafter arising or incurred pursuant to or in connection with this Agreement, the Original Credit Agreement or any other Loan Document). As of the Effective Date, the Borrower, Parent and the other Loan Parties (x) further acknowledge receipt of a copy of this Agreement, (y) consent to

the terms and conditions of same, and (z) agree and acknowledge that each of the Loan Documents to which they are a party remain in full force and effect and is hereby ratified and confirmed in all respects.

1.9 **Specified Defaults**

(a) As a result of the existence of the Specified Defaults, subject to the proviso to the definition of "Events of Default" herein, Agent and Lenders have the right to charge interest at the default rate in accordance with (but in all cases subject in the limitations set forth in) Section 2.5(b) commencing on the date on which any Specified Default first occurred.

(b) The Loan Parties shall continue to comply with all limitations, restrictions or prohibitions that are effective or applicable under this Agreement or any of the other Loan Documents during the continuance of any Event of Default. No oral representations or course of dealing on the part of Agent, Lenders or any of their respective members, officers, employees or agents, and no failure or delay by Agent or Lenders with respect to the exercise of any right, power, privilege or remedy under any of this Agreement, the other Loan Documents or Applicable Law shall operate as a waiver thereof, and the single or partial exercise of any such right, power, privilege or remedy shall not preclude any later exercise of any other right, power, privilege or remedy. The execution and delivery by Agent and the Lenders of this Agreement and any other Loan Document executed and delivered as of the Effective Date shall in no way be deemed to constitute a waiver or deemed waiver of any Events of Default outstanding as of the Effective Date, except with respect to the Specified Defaults as set forth herein. Finally, no waiver, forbearance or other similar action by Agent or Lenders with regard to any Default or Event of Default, whether now existing or hereafter arising under this Agreement or any of the other Loan Documents, shall be effective unless the same has been reduced to writing and executed by an authorized representative of Agent or the Lenders.

2. LOAN AND TERMS OF PAYMENT

2.1 **Loans**

(a) As of the Effective Date, the aggregate Outstanding Amount owing to the Lenders under, or in respect of, the Loans and in respect of all Obligations, is $143,287,337.34, allocated between the Lenders as set forth in Schedule 1.7(c).

(b) The outstanding principal balance of and all accrued and unpaid interest on the Loans shall be due and payable on the earlier of (i) the Maturity Date, (ii) a Change of Control, excluding, for greater certainty, any Permitted Canopy Transaction, (iii) upon the sale or transfer of all or substantially all assets of the Collateral Properties and (iv) the date of the acceleration of the Loans in accordance with the terms hereof. Any principal amount of the Loans that is repaid or prepaid may not be reborrowed. All principal of, interest on, and other amounts payable in respect of the Loans shall constitute Obligations.

(c) Any contrary provision of this Agreement or any other Loan Document notwithstanding, at any time after the occurrence and during the continuance of a Default or an Event of Default, Agent hereby is authorized by Borrower and the Lenders, from time to time, to make Loans to, or for the benefit of, Borrower, on behalf of Agent, in Agent's discretion, as it deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, or (ii) to enhance the likelihood of repayment of the Obligations (the Loans described in this Section 2.1(c) shall be referred to as "**Protective Advances**").

(d) Each Protective Advance shall be deemed to be a Loan hereunder. The Protective Advances shall be repayable on demand, secured by Agent's Liens, constitute Obligations hereunder, and bear interest at the rate applicable from time to time to Loans. The provisions of this Section 2.1(d) are for the exclusive benefit of Agent and are not intended to benefit Borrower (or any other Loan Party) in any way.

2.2 **[Reserved]**

2.3 **Payments; Prepayments**

(a) Payments by Borrower. Except as otherwise expressly provided herein, (i) all payments by Borrower due and payable to any Lender pursuant to this Agreement shall be made for the benefit of such Lender to Agent's Account (for subsequent distribution to each Lender) and shall be made in immediately available funds, no later than 5:00 p.m. (New York Time) on the date specified herein and (ii) all payments by Borrower due and payable to Agent pursuant to this Agreement shall be made to Agent at Agent's Account and shall be made in immediately available funds, no later than 5:00 p.m. (New York Time) on the date specified herein. Any payment received by Agent later than 5:00 p.m. (New York Time) shall be deemed to have been received (unless Agent or such applicable Lender, as applicable, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day; provided that, the failure of Borrower to make a payment to Agent's Account on or before 5:00 p.m. (New York Time) in accordance with the foregoing shall not constitute a Default or an Event of Default so long as such payment is received on the applicable due date provided herein.

(b) Apportionment and Application.

(i) So long as no Application Event has occurred and is continuing, all principal and interest payments made by Borrower shall be paid ratably to the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses made by Borrower (other than fees or expenses that are for Agent's separate account, which fees and expenses shall be paid to Agent) shall be paid ratably to each Lender according to such Lender's Pro Rata Share of the Obligation to which a particular fee or expense relates. Subject to any applicable regulatory requirements (including any

licensing requirements promulgated by applicable Governmental Authorities or Regulatory Authorities), but in all cases subject to and without limiting the requirements of Section 2.3(f), all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing, to be distributed to Borrower (to be wired to the Designated Account) or such other Person entitled thereto under Applicable Law. If any Lender shall receive any amounts in respect of the Obligations at any time that an Application Event has occurred and is continuing, such Lender shall receive such amounts as trustee for Agent, and such Lender shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.3(b)(ii).

(ii) At any time that an Application Event has occurred and is continuing, all payments remitted to Agent or any Lender and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay the Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents until paid in full,

(B) second, to pay any fees or premiums then due to Agent and ratably, to the Lenders under the Loan Documents until paid in full,

(C) third, to pay interest due in respect of all Protective Advances made to or related to any Loan Party until paid in full,

(D) fourth, to pay the principal of all Protective Advances made to or related to any Loan Party until paid in full,

(E) fifth, ratably, to pay the Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any Lender under the Loan Documents until paid in full,

(F) sixth, to the extent not paid under clause 2.3(b)(ii)(E) above, ratably, to pay any fees or premiums then due to any Lender under the Loan Documents until paid in full,

(G) seventh, ratably, to pay interest accrued in respect of the Loans (other than the Protective Advances) until paid in full,

(H) eighth, ratably, to pay the outstanding principal balance of the Loans (other than the Protective Advances), until the Loans are paid in full,

(I) ninth, to pay any other Obligations; and

(J) tenth, to Borrower (to be wired to the Designated Account) or such other Person entitled thereto under Applicable Law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from such Lender in writing, such funds as it may be entitled to receive.

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.3(b)(i) shall not apply to any payment made by Borrower to Agent and specified by Borrower to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(v) For purposes of Section 2.3(b)(ii), "**paid in full**" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.3 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other.

(c) Termination. Borrower may terminate this Agreement pursuant to Section 3.5.

(d) [Reserved].

(e) Optional Prepayments. After the Effective Date, Borrower may, upon at least five (5) Business Days' prior written notice to Agent and each Lender, prepay all or any part of the Outstanding Amount, in accordance with Section 2.3(h).

(f) Mandatory Prepayments. Within three (3) Business Days following the date of receipt by any Loan Party of (A) the Net Cash Proceeds of any voluntary or involuntary sale or disposition by any Loan Party under clause (o) of the definition of Permitted Disposition (other than the receipt of Net Cash Proceeds from the sale or disposition of assets of or equity interests in Non-Core Entities) or (B) insurance proceeds related to 510 N. Mantua, Boulevard, Sewell, New Jersey 08080, which in each case, such amount shall not be less than $3,000,000, Borrower shall use such Net Cash Proceeds to prepay the outstanding principal amount of the Loans in accordance with Section 2.3(h); provided that, so long as (A) no Default or Event of Default shall have occurred and is continuing or would result therefrom (other than the Specified Defaults), (B) Borrower shall have obtained Agent's prior written consent to such Loan Party applying such monies for the replacement, purchase, or construction on the properties or assets useful in the business of the Loan Parties, (C) the monies are held in a Deposit Account subject to a Control Agreement in favor of Agent and in which Agent has a perfected first priority security interest, and (D) such Loan Party has, within 365 days following the initial receipt of such proceeds, applied such monies to the

costs of the purchase, construction, repair or restoration on the properties or assets held by the Loan Parties), such Loan Party shall have the option to apply such monies to the costs of the replacement, purchase, or construction on the properties or assets useful in the business of the Loan Parties unless and to the extent that such applicable period shall have expired without such replacement, purchase or construction being made or completed, in which case, any amounts not reinvested in accordance with the foregoing after expiration of the applicable period above shall be paid to Agent and the Lenders and applied in accordance with Section 2.3(h). For the avoidance of doubt and notwithstanding anything herein to the contrary, the Disposition of any assets by a Non-Core Entity will not require any prepayment of the Loans. In addition, within three (3) Business Days following the date of receipt by any Loan Party of the Net Cash Proceeds of any voluntary or involuntary sale or disposition by any Loan Party under clause (r) of the definition of Permitted Disposition, Borrower shall use 90% of such Net Cash Proceeds to prepay the outstanding principal amount of the Loans in accordance with Section 2.3(h).

(g) Maturity Date Extension; Demand. Upon the later of (such later date being, the "**Conversion Date**") (i) the date on which the Permitted Canopy Transaction is consummated and (ii) the First Out Payout Date, the Maturity Date shall, without any further action required on the part of Agent, Lenders or the Borrower, automatically be extended to December 31, 2030 (the "**Maturity Date Extension**"); provided that, on and after the Conversion Date, all Loans shall automatically be repayable on demand without any further action or notice required on the part of Agent or Lenders. Should Agent, for and on behalf of the Lenders, demand immediate repayment in full (or in part (in the sole discretion of the Required Lenders)) of any amounts outstanding hereunder on or after the Conversion Date, the Borrower shall immediately repay all such Obligations (including principal, interest, premiums, if any, fees, costs, and expenses (including Lender Group Expenses)) which are outstanding at such time.

(h) Application of Payments. Each prepayment made pursuant to Section 2.3(e) or 2.3(f) shall be accompanied by the payment of accrued interest to the date of such payment on the amount prepaid. Each such prepayment of the Loans shall be applied to the Outstanding Amount of the Loans. Each prepayment pursuant to Section 2.3(e) or Section 2.3(f) shall (i) so long as no Application Event shall have occurred and be continuing, be applied, to the Outstanding Amount as set forth in Section 2.3(b)(i) until paid in full and (ii) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.3(b)(ii).

2.4 **Promise to Pay.**

Borrower agrees to pay the Lender Group Expenses on the earlier of (a) the first day of the month following the date on which the applicable Lender Group Expenses were first incurred and (b) the date on which demand therefor is made by Agent or a Lender, as applicable. Borrower promises to pay all of the actual Obligations (including principal, interest, premiums, if any, fees, costs, and expenses (including Lender Group Expenses)) which are due in full on the Maturity Date or, if earlier, on the date on which the Obligations become due and payable

pursuant to the terms of this Agreement. Borrower agrees that its obligations contained in the first sentence of this Section 2.4 shall survive payment or satisfaction in full of all other Obligations.

2.5 **Interest Rates, Payments and Calculations**

(a) Interest Rates. From the Effective Date, all Obligations charged to the Loan Account with respect to the Loans shall, subject to Section 2.5(c)(ii), bear interest payable in cash on the Outstanding Amount at a rate per annum equal to ABR plus the Applicable Margin and shall be payable in accordance with Section 2.5(c).

(b) Default Rate. Upon the occurrence and during the continuation of an Event of Default and at the written election of the Required Lenders (or automatically while any Event of Default under Section 8.1(d) or 8.1(e) exists), all outstanding Obligations shall bear interest from the date of the occurrence of such Event of Default at a per annum rate equal to five percent (5.00%) above the per annum rate otherwise applicable to such Obligation hereunder or under any other Loan Document (or, in the case of any amounts that do not otherwise bear interest, at a rate equal to five percent (5.00%) above the per annum interest rate otherwise payable hereunder), payable in cash; provided, that (A) upon any cure or waiver of such Event of Default, the rate of interest shall automatically revert to the rate of interest set forth in clause 2.5(a) above, (B) during the period through and including September 14, 2024, all default interest shall accrue but shall in all cases be due and payable in cash on such date (unless the First Out Payout Date has occurred on or before such date, in which case all such default interest shall be waived).

(c) Payment; Payment-in-kind.

(i) Except as expressly provided herein to the contrary (including, for the avoidance of doubt, Section 2.5(c)(ii)), all interest and contingent interest payable under this Agreement or under any of the other Loan Documents shall be due and payable in cash, in arrears, on the first day of each month following the Effective Date and all costs and expenses payable hereunder or under any of the other Loan Documents, and all Lender Group Expenses shall be due and payable on the earlier of (x) the first day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred and (y) the date on which demand therefor is made by Agent or a Lender, as applicable. Borrower hereby authorizes Agent and the Lenders, from time to time to charge to the Loan Account (A) on the first day of each month, all interest accrued during the prior month on any Loan hereunder, (B) as and when incurred or accrued, all audit, valuation, or other charges or fees payable pursuant to Section 2.10, (C) as and when due and payable, all other fees payable hereunder or under any of the other Loan Documents, (D) as and when due in accordance with Section 2.5(c), all Lender Group Expenses, and (E) as and when due and payable all other payment obligations payable under any Loan Document.

(ii) Notwithstanding Section 2.5(c)(i) or anything to the contrary contained in this Agreement, at the election (an "**Election**") of the Borrower, during the period through and including the Cash Pay Date, all interest and contingent interest payable under this Agreement or under any of the other Loan Documents shall be payable either (x) in cash when due and payable or (y) in kind (a "**PIK Election**") by increasing the outstanding principal amount of the applicable Loan by the amount of interest so paid in kind; *provided* that, notwithstanding the foregoing, (i) interest accrued pursuant to Section 2.5(b) shall be payable in cash to the extent required to be paid in cash in accordance with Section 2.5(b) and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable in cash on the date of such repayment or prepayment. Amounts representing accrued interest that are added to the outstanding principal of any Loan pursuant to this Section 2.5(c)(ii) shall thereafter constitute principal under the applicable Loan and bear interest in accordance with the terms of this Agreement. The Borrower shall make an Election with respect to each interest payment date by providing written notice of such Election to the Agent not later than 11:00 a.m., New York City time, two (2) Business Days prior to such interest payment date; *provided* that if such notice is not provided by the Borrower in a timely fashion or at all, the Borrower shall be deemed to have made a PIK Election with respect to such interest payment date. Notwithstanding the foregoing or anything contained herein to the contrary, any Lender may, from and after the Cash Pay Date, upon written notice to Agent, the other Lenders and Borrower, elect (a "**Lender Election**") to receive all interest and contingent interest payable in respect of such Lender's pro rata share of the Loans in kind and not in cash, by increasing the outstanding principal amount of the Loans owed to such Lender by the amount of interest so paid in kind. Any such Lender Election made by a Lender may be revoked by such Lender at any time upon written notice to Agent, the other Lenders and Borrower.

(d) All amounts (including interest, premiums, if any, fees, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document) charged to the Loan Account shall thereupon constitute Obligations hereunder and shall initially accrue interest at the rate then applicable to the Loans.

(e) Computation. All interest and applicable fees chargeable under the Loan Documents shall be computed on the basis of a three hundred sixty (360) day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue.

(f) Intent to Limit Charges to Maximum Lawful Rate. In no event shall the interest rate or rates payable under this Agreement or any other Loan Document, plus any other amounts paid in connection herewith or therewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrower and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or

rates of interest and manner of payment stated within it; provided that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under Applicable Law, then, ipso facto, as of the date of the Effective Date, Borrower is and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from Borrower in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

(g) [Reserved].

(h) Increased Costs. If, after the date hereof, any Change in Law:

(i) shall subject any Recipient (or any of their respective lending offices) to any Taxes (other than (A) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, (B) Connection Income Taxes, and (C) Indemnified Taxes) with respect to any loan, loan principal, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the U.S. Federal Reserve System), special deposit, insurance or capital or similar requirement against assets of, deposits with or for the account of, or credit extended by any of the Lenders (or any of their respective lending offices) or shall impose on any of the Lenders (or any of their respective lending offices) or the foreign exchange and interbank markets any other condition affecting any Loan;

(iii) and the result of any of the foregoing is to increase the costs to any of the Lenders of maintaining any Loan or to reduce the yield or amount of any sum received or receivable by any of the Lenders under this Agreement or in respect of a Loan, then such Lender shall promptly notify Agent, and Agent shall promptly notify Borrower of such fact and demand compensation therefor and, promptly (but no later than the earlier of the next January 31 or the Maturity Date) after such notice by Agent, Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction; provided, that to the extent any such costs or reductions are incurred by any Lender as a result of any requests, rules, guidelines or directives enacted or promulgated under the *Dodd-Frank Wall Street Reform and Consumer Protection Act* of 2010 and Basel III, then such Lender shall be compensated pursuant to this Section 2.5(h) only to the extent such Lender is imposing such charges on similarly situated borrowers where the terms of other credit facilities permit it to impose such charges. Agent will promptly notify Borrower of any event of which it has knowledge which will entitle any Lender to compensation pursuant to this Section 2.5(h); provided that, Agent shall incur no liability whatsoever to any Lender or Borrower in the event it fails to do so. The amount of such compensation

shall be determined, in each Lender's sole discretion, based upon the assumption that such Lender funded the Loans in the London interbank market and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. Any Lender requesting compensation under this Section 2.5(h) shall be required to deliver to Borrower a certificate of such Lender setting forth in reasonable detail the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to Borrower through Agent and shall be conclusively presumed to be correct save for manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(iv) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.5(h) shall not constitute a waiver of such Lender's right to demand such compensation; provided that, Borrower shall not be required to compensate such Lender pursuant to this Section 2.5(h) for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.6 **Fees**

(a) Late Fee. A late fee shall be due and payable by Borrower in an amount equal to five percent (5.00%) of the amount of any payment hereunder more than five (5) days past due (the "**Late Fee**").

(b) Agent Fee. An annual agent fee ("**Agent Fee**") shall be payable to Agent as follows: (i) on the Effective Date, an agent fee in an amount equal to $325,552.50 (the "**Initial Agent Fee**") shall be fully earned, and shall be due and payable on January 15, 2025 unless the First Out Payout Date has occurred on or before January 15, 2025 in which case the payment of the Initial Agent Fee shall be waived; and (ii) on each yearly anniversary of the Effective Date, an agent fee in an amount equal to 0.75% of the First Out Priority Obligations as of the applicable date shall be due and payable and shall be fully earned as of such date. Notwithstanding the foregoing, if the First Out Payout Date occurs after January 15, 2025 but before the first anniversary of the Effective Date, Agent shall pay to 1106, or as 1106 may otherwise direct, a portion of the Initial Agent Fee in an amount equal to the product of (x) the amount of the Initial Agent Fee *times* (y) the quotient of (A) the number of days between the First Out Payout Date and the first anniversary of the Effective Date (inclusive) divided by 365.

2.7 **Crediting Payments**

The receipt of any payment item by Agent or any Lender shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available

federal funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrower shall be deemed not to have made such payment and interest shall be calculated accordingly.

2.8 **Protective Advances to Designated Account**

Agent is authorized to make Protective Advances based upon telephonic or other instructions received from anyone purporting to be the chief executive officer, chief financial officer or such other designated officer. Borrower agrees to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Protective Advances.

2.9 **Maintenance of Loan Account; Statements of Obligations**

Agent shall maintain an account on its books in the name of Borrower, (the "**Loan Account**") on which Borrower will be charged with the Loans, and with all other payment Obligations hereunder or under the other Loan Documents, including accrued interest, payment in kind interest, premiums, if any, fees and expenses, and Lender Group Expenses. In accordance with Section 2.7, the Loan Account will be credited with all payments received by Agent or the Lenders from Borrower or for Borrower's account. Agent shall provide statements regarding the Loan Account to Borrower, including principal, interest, fees, and including an itemization of all charges and expenses constituting Lender Group Expenses owing of which Agent has been notified in writing by the applicable Lender (but neither Agent nor any Lender shall have any liability if Agent shall fail to provide any such statement), and such statements, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrower and the Lender Group unless, within sixty (60) days after Agent first makes such a statement available to Borrower (or such longer period as the Required Lenders may agree in their sole discretion), Borrower shall deliver to Agent and the Lenders written objection thereto describing the error or errors contained in any such statements.

2.10 **Financial Examination and Other Fees**

Borrower shall pay to Agent financial examination, audit and valuation fees and charges, as and when incurred or chargeable, as follows: (i) reasonable and documented out of pocket expenses for each financial examination or audit of any Loan Party performed by personnel employed by Agent, and (ii) the reasonable fees and charges paid or incurred by Agent (plus reasonable and documented out of pocket expenses (including travel, meals, and lodging)) if it elects to employ the services of one or more third party Persons to perform financial examinations, audits or quality of earnings analyses of the Loan Parties, to appraise the Collateral, or any portion thereof, or to assess the Loan Parties' business valuation (which, for the avoidance of doubt, may include the employment of CohnReznick, LLP (or any of its Affiliates) or any other mutually-approved accounting firm); provided that, for the avoidance of doubt, Borrower shall not be required to pay Agent for any appraisal of Real Property constituting Collateral.

2.11 **Capital Requirements**

(a) If, after the date hereof, any Lender determines in good faith that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital or reserve requirements for banks or bank holding companies, or any change in the

interpretation, implementation, or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request, or directive of any such entity regarding capital adequacy or liquidity (whether or not having the force of law), has the effect of reducing the return on such Lender's or such holding company's capital as a consequence of such Lender's Loans hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and liquidity) by any amount deemed by such Lender to be material, then such Lender may notify Borrower and Agent thereof. Following receipt of such notice, Borrower agrees to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within thirty (30) days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of such Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that, Borrower shall not be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than one hundred twenty (120) days prior to the date that such Lender notifies Borrower of such law, rule, regulation or guideline giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided, further, that if such claim arises by reason of the adoption of or change in any law, rule, regulation or guideline that is retroactive, then the one hundred twenty (120)-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If such Lender requests additional or increased costs or amounts under Section 2.11(a), then such Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(a), as applicable, and (ii) in the reasonable judgment of such Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. If, after such reasonable efforts, such Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrower's obligations to pay any future amounts to such Lender pursuant to Section 2.11(a), as applicable, then Borrower (without prejudice to any amounts then due to such Lender under Section 2.11(a), as applicable) may, unless prior to the effective date of any such assignment such Lender withdraws its request for such additional amounts under Section 2.11(a), as applicable, seek a substitute Lender reasonably acceptable to Agent (the consent of Agent not to be unreasonably withheld, conditioned or delayed) to purchase the Obligations owed to such Lender (a "**Replacement Lender**"), and if such Replacement Lender agrees to such purchase, such

Lender shall assign to the Replacement Lender its Obligations, pursuant to an Assignment and Acceptance Agreement, and upon such purchase by the Replacement Lender, such Replacement Lender shall be deemed to be a "**Lender**" for purposes of this Agreement and such Lender shall cease to be a "**Lender**" for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protections of this Section 2.11 shall be available to a Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for lenders affected thereby to comply therewith.

(d) Notwithstanding anything herein to the contrary, including subsections (a)-(c) of this Section 2.11, a Lender shall not be entitled to make a claim for compensation under this Section 2.11 unless such Lender shall be subject to the capital or reserve requirements or capital adequacy and liquidity laws, rules, guidelines, requests, or directives contemplated herein.

3. CONDITIONS; TERM OF AGREEMENT

3.1 Conditions Precedent to Closing on the Effective Date

(a) The obligation of Agent and each Lender to enter into this Agreement and to continue to maintain the Pre-Existing Borrowings on the terms set forth herein on the Effective Date is subject to the fulfillment, to the satisfaction of Agent, of each of the following conditions precedent:

(i) Agent shall have received each of the following documents, in form and substance reasonably satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

(A) the Assignment Agreements;

(B) the Agency Assignment Agreement; and

(C) the Agreement Among Lenders.

(ii) The representations and warranties of the Loan Parties contained in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of the Effective Date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) or such earlier date, provided that no representation or warranty is made or

shall be made by or on behalf of any Loan Party to the extent that such representation or warranty could be untrue, incorrect, misstated or misleading in any respect on account of, or in connection with, the Specified Defaults or any one of them.

3.2 **[Reserved]**

3.3 **Term**

Subject to Section 3.5, this Agreement shall continue in full force and effect until the Borrower shall have repaid all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full, and until such repayment, nothing shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document, and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect. When all of the Obligations (other than contingent obligations in respect of which no claim has been made) have been paid in full, Agent will, at Borrower's sole expense, execute and deliver any termination statements (or, alternatively, upon Borrower's request, at Borrower's sole expense, authorize the Loan Parties to file termination statements), lien releases, discharges of security interests, and other similar discharge or release documents (including, but not limited to, any satisfactions of Mortgages) (and, if applicable, in recordable form) as are reasonably necessary or requested by Borrower to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent with respect to the Obligations..

3.4 **Effect of Maturity**

On the Maturity Date, all of the Obligations immediately shall become due and payable without notice or demand and Borrower shall be required to repay all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full.

3.5 **Early Termination by Borrower**

Borrower has the option, at any time and upon five (5) Business Days prior written notice to Agent and the Lenders, to terminate this Agreement by paying to the Lenders, all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full. If Borrower has sent a notice of termination pursuant to the provisions of this Section 3.5, then Borrower shall be obligated to repay the Obligations (other than contingent obligations in respect of which no claim has been made) in full on the date set forth as the date of termination of this Agreement in such notice. The foregoing notwithstanding, (a) Borrower may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of third party Indebtedness or other transactions if the closing for such issuance, incurrence or other transaction does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination), and (b) Borrower may extend the date of such termination at any time with the consent of Agent (which consent shall not be unreasonably withheld or delayed).

3.6 **Conditions Subsequent.**

The Loan Parties shall comply with each of the conditions subsequent set forth on Schedule 3.6 hereto on or before the applicable dates as set forth for each such condition subsequent on

such Schedule (as any such date may be extended in writing by Agent). The failure by the Loan Parties to perform or cause to be performed any such condition subsequent as of the applicable date shall constitute an Event of Default). At all times prior to the date on which any condition subsequent is required to be satisfied, the failure of the Loan Parties to satisfy or be in compliance with such condition shall not constitute a Default or Event of Default hereunder or a violation or breach of any representation, warranty or covenant hereunder or under any other Loan Document to the extent that such violation or breach is caused by or results from such failure.

4. REPRESENTATIONS AND WARRANTIES

In order to induce the Lender Group to enter into this Agreement, each Loan Party makes the following representations and warranties to the Lender Group:

4.1 Title to Assets; No Encumbrances

Each of the Loan Parties has (a) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (b) good and marketable title to (in the case of all other real or personal property), all of their respective assets reflected in their most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereby. All of such assets are free and clear of Liens except for Permitted Liens.

4.2 Investment Debt Documents

The Loan Parties have furnished to Agent true, correct and complete executed copies of the Investment Debt Documents. The Investment Debt Documents reflect the entire understanding of the parties with respect to the transactions contemplated hereby and all agreements, arrangements or understandings with respect to the Investment Debt or Investment Debt Documents (whether oral or written) have been disclosed to Agent in writing.

4.3 [Reserved]

4.4 Due Organization and Qualification; Subsidiaries

(a) Each Loan Party (i) is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, as applicable, (ii) is qualified to do business in any state where the failure to be so qualified would reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.4(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement), is a complete and accurate description of the authorized Stock of each Loan Party and each Subsidiary of each Loan Party, by class, and, as of the Effective Date, a description of the number of shares of each such class that are issued and outstanding. Other than as described on Schedule 4.4(b), there are

no subscriptions, options, warrants, or calls relating to any shares of any Loan Party's Stock, including any right of conversion or exchange under any outstanding security or other instrument. No Loan Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Stock or any security convertible into or exchangeable for any of its Stock. All of the outstanding Stock of each Loan Party (i) has been validly issued, is fully paid and non-assessable, to the extent applicable, (ii) was issued in compliance with all Applicable Law, and (iii) are free and clear of all Liens other than Permitted Liens.

(c) Set forth on Schedule 4.4(c) is a complete and accurate list of (i) the jurisdiction of organization of Parent and each other Loan Party, (ii) the chief executive office of Parent and each other Loan Party, and (iii) the organizational identification number of Parent and each other Loan Party (if any).

4.5 **Due Authorization; No Conflict**

(a) The execution, delivery, and performance by Parent and each other Loan Party of the Loan Documents to which such Person is a party have been duly authorized by all necessary action on the part of such Person.

(b) The execution, delivery, and performance by Parent or such other Loan Party of the Loan Documents to which it is a party do not and will not (i) violate any material Applicable Law, the Governing Documents of such Person, or any order, judgment, or decree of any court or other Governmental Authority binding on such Person, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any Material Contract of such Person, except to the extent that the proceeds of this Agreement shall be used to satisfy in full or otherwise cancel such Material Contract, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of such Person, other than Permitted Liens, or (iv) require any approval of any holder of Stock of such Person or any approval or consent of any Person under any Material Contract of such Person, except to the extent that (x) such consents or approvals have been obtained and are still in force and effect or (y) with respect to Material Contracts, such consents or approvals have not been obtained, but the proceeds of this Agreement shall be used to satisfy or otherwise cancel such Material Contracts, thereby rendering such approvals or consents unnecessary.

(c) The execution, delivery, and performance by Parent and each other Loan Party of the Loan Documents to which such Person is a party and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent, or registrations, consents, approvals, notices, or other action with or by, any Governmental Authority, other than Permits, notices, or other actions that (i) have been obtained and that are still in force and effect, or (ii) the failure to obtain which would not reasonably be expected to become a Material Adverse Effect.

(d) Each Loan Document has been duly executed and delivered by Parent and each other Loan Party that is a party thereto and is the legally valid and binding obligation of such Person, enforceable against such Person in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(e) Agent's Liens are validly created and perfected first priority Liens, subject only to Permitted Liens.

4.6 **Litigation**

(a) Except as set forth on Schedule 4.6(b), there are no actions, suits, or proceedings pending or, to the knowledge of any Loan Party, threatened in writing against Parent or any other Loan Party that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect or which in any manner draws into question the validity or enforceability of any of the Loan Documents.

(b) Schedule 4.6(b) sets forth, as of the Effective Date, to the knowledge of any Loan Party, a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of five hundred thousand Dollars ($500,000) that, as of the Effective Date, is pending or threatened in writing against Parent or any other Loan Party, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Effective Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of such Person in connection with such actions, suits, or proceedings is covered by insurance. The estimate of costs with respect to such actions, suits, or proceedings set forth on Schedule 4.6(b) represents a reasonable estimate of such costs as of the Effective Date, based on reasonable assumptions made in good faith.

4.7 **Compliance with Laws; Permits; Licenses**

(a) No Loan Party nor any of its Subsidiaries (i) is in violation of any Applicable Law in any material respect, or (ii) is subject to or in default with respect to any material final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(b) None of the Loan Parties has received any written notice from any Governmental Authority alleging that any of the Loan Parties is not in compliance in any material respect with, or may be subject to material liability under, any Applicable Law.

(c) The Loan Parties have all the material Permits required pursuant to Applicable Laws for the Loan Parties to currently conduct its business, and all such Permits are in full force and effect. There are no such Permits held in the name of any Person (other than the Loan Parties) on behalf of any of the Loan Parties.

(d) The Loan Parties have all Cannabis Licenses required to conduct their business as currently conducted, each of which are set forth on Schedule 4.7(d).

4.8 **Historical Financial Statements; No Material Adverse Effect**

All historical financial information relating to the financial condition of the Parent and its Subsidiaries that have been delivered by or on behalf of Parent to the Agent and each Lender (the "**Historical Financial Statements**") have been prepared in accordance with GAAP, except as otherwise expressly noted therein, and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the applicable date of such Historical Financial Statements, none of the Loan Parties has any contingent liability (required to be disclosed by GAAP) or liability for taxes, long term lease or unusual forward or long term commitment that is not, in each case, reflected in the Historical Financial Statements or the notes thereto (to the extent required by GAAP) and which in any such case is material in relation to the business, operations, properties, assets, or financial condition of the Loan Parties or any of its Subsidiaries taken as a whole. Other than as otherwise disclosed by the Parent publicly, since December 31, 2023, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Effect.

4.9 **Solvency**

No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10 **Employee Benefits**

No Loan Party, its Subsidiaries nor any of their respective ERISA Affiliates has ever contributed to or maintained any Benefit Plan or is liable for any obligations under any Benefit Plan. No ERISA Event has ever occurred or is reasonably expected to occur.

4.11 **Environmental Condition**

Except as set forth on Schedule 4.11, (a) to the knowledge of each Loan Party, none of the Real Property nor any other Loan Party's nor any of its Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries' or by previous owners or operators in the disposal of, or to produce, store, handle, treat, Release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, Release or transport was in violation, in any material respect, of any applicable Environmental Law, (b) to the knowledge of Borrower, after due inquiry, there has been no Release of any Hazardous Material, at, to or from any Real Property or any other property owned or leased by any Loan Party or any of its Subsidiaries, (c) no Loan Party nor any of its Subsidiaries has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any Real Property owned or operated by a Loan Party, and (d) no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any Environmental Action or any consent decree or

settlement agreement with any Person relating to any Environmental Law or Environmental Liability.

4.12 **Real Property**

(a) Schedule 4.12(a) sets forth a correct and complete list as of the Effective Date of the location, by state and street address, of all Real Property owned or leased by any Loan Party (including name of record owner), identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

(b) Each Loan Party has title, subject to matters of record disclosed in the title commitments referenced on Schedule 4.12(b), to, or valid leasehold interests in, all Real Property, in each case that is purported to be owned or leased by it, and none of the Real Property is subject to any Lien, except Permitted Liens.

(c) Each Loan Party has paid all such material payments required to be made by it in respect of any Leasehold Property, and, to such Loan Party's knowledge, no landlord Lien has been filed, and to Borrower's knowledge, no claim of delinquency is being asserted, with respect to any such payments, except as are subject to Permitted Protest.

(d) Each Lease relating to the Leasehold Property listed on Schedule 4.12(a) is in full force and effect and is legal, valid, binding and enforceable in accordance with its terms. To each such Loan Party's knowledge, there is not under any such Lease any existing breach, default, event of default or event or condition that, with or without notice or lapse of time or both, could constitute a breach, default or an event of default by any Loan Party or that, in any such case, could reasonably be expected to result in the commencement of proceedings or actions to terminate such Lease.

(e) All Permits or Cannabis Licenses required to have been issued to enable all Real Property of any Loan Party to be lawfully occupied and used for all of the purposes for which they are currently occupied and used have been lawfully issued and are in full force and effect, other than those that, in the aggregate, would not have a Material Adverse Effect.

(f) None of any Loan Party has received any notice, or has any knowledge, of any pending, threatened or contemplated condemnation proceeding affecting any Real Property of such Loan Party or any part thereof, except those that, in the aggregate, would not have a Material Adverse Effect.

(g) No Loan Party owns or holds, or is obligated under or a party to, any lease, option, right of first refusal or other contractual right to purchase, acquire, sell, assign, dispose of or lease any Collateral Properties of such Loan Party except as set forth on Schedule 4.12(g).

4.13 **Broker Fees**

Except as set forth on Schedule 4.13, no broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated hereby. Borrower shall be solely responsible for the payment of any and all broker's or finder's fees and commissions payable now and in the future in connection with this Agreement or any of the transactions contemplated hereby and shall indemnify upon demand the Lender Group and its directors, officers, employees and agents against any claim arising therefrom or in connection therewith.

4.14 **Complete Disclosure**

All factual information taken as a whole (other than forward-looking statements and projections and information of a general economic nature and general information about the Loan Parties' industry) furnished by or on behalf of Parent or another Loan Party to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents is, and all other such factual information taken as a whole (other than forward-looking statements and projections and information of a general economic nature and general information about the Loan Parties' industry) hereafter furnished by or on behalf of Parent or another Loan Party to Agent or any Lender, will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole), not misleading in any material respect at such time in light of the circumstances under which such information was provided.

4.15 **Indebtedness**

Set forth on Schedule 4.15 is a true and complete list of all Indebtedness of each Loan Party outstanding immediately prior to the Effective Date that is to remain outstanding after the Effective Date and Schedule 4.15 accurately sets forth the aggregate principal amount of such Indebtedness as of the Effective Date.

4.16 **Patriot Act; Foreign Corrupt Practices Act**

Each Loan Party is in compliance, in all material respects, with the (a) *Trading with the Enemy Act*, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (*USA Patriot Act* of 2001) (the "**Patriot Act**"). No part of the proceeds of the Loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the *United States Foreign Corrupt Practices Act* of 1977, as amended.

4.17 **Payment of Taxes**

Except as otherwise permitted under Section 5.6 or as otherwise set forth on Schedule 4.17, all material tax returns of each Loan Party required to be filed by any of them have been timely filed, all such tax returns and reports are true, correct and complete in all material respects, and

all taxes shown on such tax returns to be due and payable and all assessments, fees and other similar governmental charges imposed by a tax authority upon a Loan Party and upon its assets, income, businesses and franchises that are due and payable have been paid when due and payable, other than taxes that are the subject of a Permitted Protest, and (ii) each Loan Party has made adequate provision in accordance with GAAP for all taxes not yet due and payable. No Loan Party knows of any actual or proposed tax assessment or tax Lien against any Loan Party or any Subsidiary of a Loan Party or any of their respective assets or any Stock in respect of any such Person that is not subject to a Permitted Protest.

4.18 **Margin Stock**

No Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to Borrower will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

4.19 **Governmental Regulation**

No Loan Party is subject to regulation under the *Investment Company Act* of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party is a "**registered investment company**" or a company "**controlled**" by a "**registered investment company**" or a "**principal underwriter**" of a "**registered investment company**" as such terms are defined in the *Investment Company Act* of 1940.

4.20 **Sanctions**

No Loan Party nor any of its Subsidiaries is in violation of any Sanctions Laws, and Borrower has implemented and maintains in effect and enforces necessary policies and procedures designed to ensure compliance therewith by the Loan Parties, their Subsidiaries and their respective directors, officers and employees. None of the Loan Parties, nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) directly or, to the knowledge of the Loan Parties, indirectly derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any Loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

4.21 **Employee and Labor Matters**

There is (i) no unfair labor practice complaint pending or, to the knowledge of any Loan Party, threatened against any Loan Party before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a material liability, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party, or (iii) to Borrower's knowledge, no union representation question existing with respect to the employees of any Loan Party and no union organizing activity taking place with respect to any of the employees of any Loan Party. No Loan Party has incurred any liability or obligation under the *Worker Adjustment and Retraining*

Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of any Loan Party have not been in violation of the *Fair Labor Standards Act* or any other applicable legal requirements. All material payments due from any Loan Party on account of wages and employee health and welfare insurance and other benefits (except for employee vacation benefits) have been paid or accrued as a liability on the books of Borrower and its Subsidiaries.

4.22 **Material Contracts**

As of the Effective Date, set forth on Schedule 4.22 is a description of the Material Contracts. Each such Material Contract (a) is in full force and effect and is binding upon and enforceable against the applicable Loan Party and, to the knowledge of each Loan Party, each other Person that is a party thereto in accordance with its terms, (b) has not been otherwise amended or modified, and (c) is not in material default due to the action or inaction of the applicable Loan Party. No Loan Party nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Material Contracts, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.23 **PEP**

To the knowledge of each Loan Party, no Loan Party nor any of its respective Subsidiaries is acting on behalf of any corporation, business or other entity that has been formed by, or for the benefit of, a current or former senior foreign political figure, serving in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government owned corporation, or political figure (collectively, a "**PEP**").

4.24 **Location of Collateral**

All of the Loan Parties' leased or owned locations which contain Collateral with a value in excess of fifty thousand dollars ($50,000), as of the Effective Date, are listed on Schedule 4.24 hereto. As of the Effective Date, the office where each Loan Party keeps its records concerning the Collateral, and each of each Loan Party's principal place of business and chief executive office, are set forth on Schedule 4.24.

4.25 **EEA Financial Institutions**

No Loan Party is an EEA Financial Institution.

4.26 **Intellectual Property**

Each Loan Party owns, is licensed to use or otherwise has the right to use, all Intellectual Property that is material to the condition (financial or other), business or operations of such Loan Party. All Intellectual Property owned by any Loan Party and existing as of the Effective Date which is issued, registered or pending with any United States or foreign Governmental Authority (including, without limitation, any and all applications for the registration of any such Intellectual Property with any such United States or foreign Governmental Authority) and, to Borrower's knowledge, all licenses under which any Loan Party is the exclusive licensee of any such

registered Intellectual Property (or any such application for the registration of Intellectual Property) owned by another Person are set forth on Schedule 4.26. Such Schedule 4.26 indicates in each case whether such registered Intellectual Property (or application therefor) is owned or exclusively licensed by such Loan Party. Except as indicated on Schedule 4.26, to the best of each Loan Party's knowledge, the applicable Loan Party is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each such registered Intellectual Property (or application therefor) purported to be owned by such Loan Party, free and clear of any Liens and/or licenses in favor of third parties or agreements or covenants not to sue such third parties for infringement, other than non-exclusive licenses granted in the ordinary course of business. All registered Intellectual Property of each Loan Party is duly and properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filings or issuances. No Loan Party is party to, nor bound by, any material license agreement with respect to which any Loan Party is the licensee that prohibits or otherwise restricts such Loan Party from granting a security interest in such Loan Party's interest in such license agreement; provided that, for the avoidance of doubt, general non-assignment clauses in such agreements shall not be deemed to constitute such security interest prohibition for purposes of this Section 4.26. To Borrower's knowledge, each Loan Party conducts its business without infringement or claim of material infringement of any material Intellectual Property rights of others and there is no infringement or claim of material infringement by others of any material Intellectual Property rights of any Loan Party.

4.27 **Insurance**

Each Loan Party is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged. No Loan Party (a) has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance or (b) has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers.

4.28 **Anti-Money Laundering Laws**

(a) Neither Borrower nor any Subsidiary are in violation of any Anti-Money Laundering Laws or engage in or conspire to engage in any transaction that evades or avoids, or have the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Money Laundering Laws.

(b) Neither Borrower nor any Subsidiary or their respective agents acting or benefiting in any capacity in connection with the loans or the other transactions hereunder, are any of the following (each a "**Blocked Person**"):

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(iii) a Person with which Agent or Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Money Laundering Law;

(iv) a Person that commits, threatens or conspires to commit or supports "**terrorism**" (as defined in Executive Order No. 13224); or

(v) a Person that is named as a "**specially designated national**" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or any replacement website or other replacement official publication of such list.

(c) No Loan Party or, to the knowledge of any Loan Party, any of its agents acting in any capacity in connection with the Loans or the other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

4.29 **Representations Not Waived**

The representations and warranties of the Loan Parties contained herein will not be affected or deemed waived by reason of any investigation made by or on behalf of any Lender, Agent and/or any of their respective representatives or agents or by reason of the fact that any Lender, Agent and/or any of their respective representatives or agents knew or should have known that any such representation or warranty is or might be inaccurate in any respect.

4.30 **Specified Defaults**

Notwithstanding anything contained herein or the other Loan Documents to the contrary, no representation or warranty is made or shall be made by or on behalf of any Loan Party to the extent that such representation or warranty could be untrue, incorrect, misstated or misleading in any respect on account of, or in connection with, the Specified Defaults or any one of them.

5. AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that, until payment in full of the Obligations (other than contingent obligations in respect of which no claim has been made), each Loan Party shall and shall cause each of its Subsidiaries to do all of the following:

5.1 **Financial Statements, Reports, Certificates**

(a) Deliver to Agent and each Lender, each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein and in connection with the delivery of an audit, should such audit be qualified by the independent certified public accountant ("**Auditor**") conducting such audit, Borrower shall permit Agent, each Lender and their duly authorized representatives or agents to discuss such qualified audit with the Auditor during regular business hours, at reasonable intervals and with a representative of Borrower present (except upon the occurrence and continuation of an Event of

Default, in which case Borrower shall permit Agent, each Lender and their duly authorized representative or agents to discuss such audit regardless of whether such audit is qualified);

(b) agree that no Loan Party will have a fiscal year different from that of Borrower;

(c) agree to maintain a system of accounting that enables the Loan Parties to produce financial statements in accordance with GAAP; and

(d) agree that it will, and will cause each other Loan Party to, maintain its billing systems and practices substantially as in effect as of the Effective Date.

5.2 **Collateral Reporting**

Provide Agent and each Lender with each of the reports set forth on Schedule 5.2 at the times specified therein.

5.3 **Existence**

At all times preserve and keep in full force and effect in all material respects such Person's (i) valid existence and good standing in its jurisdiction of formation or organization and (ii) good standing with respect to all other jurisdictions in which it is qualified to do business and any Permits or Cannabis Licenses material to its businesses.

5.4 **Inspection**

Permit Agent, each Lender and their duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided that (i) an authorized representative of the Loan Parties shall be given an opportunity to be present and (ii) so long as no Event of Default shall have occurred during a calendar year, Agent and the Lenders shall not conduct more than one (1) inspection per calendar year) at such reasonable times and intervals as Agent may designate and, so long as no Event of Default exists, with reasonable prior notice to Borrower and during regular business hours. All such inspections shall be at Borrower's expense.

5.5 **Maintenance of Properties**

Maintain and preserve all of its assets and properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty and Permitted Dispositions excepted, and defend its title and Agent's Lien therein against all Persons claims and demands, except Permitted Liens.

(a) Maintain, or obtain contractual commitments from relevant landlords to maintain, all rights of way, easements, grants, privileges, licenses, certificates, and permits necessary for the use of any Real Property (as used in the business of the Loan Parties), except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

(b) Comply in all respects with the terms of each Lease and other material agreement relating to the Leasehold Properties so as not to permit any tenant default to exist thereunder beyond any applicable notice and cure periods (other than any matters being contested in good faith by appropriate proceedings), except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.6 **Taxes**

Cause all Taxes, whether real, personal, or otherwise, due or payable by, or imposed, levied, or assessed against the Loan Parties, their Subsidiaries or any of their respective assets to be paid in full when due in accordance with Applicable Law, except to the extent that the validity of such Tax shall be the subject of a Permitted Protest; provided, however, that a Loan Party or Subsidiary thereof may defer the payment of federal or state income taxes in accordance with payment plans to which the applicable Governmental Authority and such Loan Party or Subsidiary have agreed.

5.7 **Insurance**

(a) Will, and will cause each of its Subsidiaries to, at Borrower's expense, maintain insurance respecting each of the Loan Parties' and their respective Subsidiaries' assets wherever located, in each case as are customarily insured against by other Persons engaged in same or similar businesses and similarly situated and located, including, but not limited to (i) commercial general liability insurance (as evidenced by Acord 25), including products/completed operations, motor vehicle liability, excess liability limits, workers compensation, products liability, broad form property damage, and broad form blanket contractual, advertising, and personal injury liability, (ii) business interruption insurance and/or loss of income reasonably satisfactory to Agent, (iii) casualty insurance, such public liability insurance, and third party property damage insurance with respect to liabilities, (iv) losses or damage in respect to assets (as evidenced by Acord 27), including, but not limited to, building, property, tenant improvements and betterments, equipment, equipment breakdown, indoor crop, marijuana inventory and stock, business personal property, (v) to the extent required by any vendor or customer of any Loan Party, cyber risk insurance, and (vi) with respect to any Real Property that has a status of being in a high flood zone or higher risk zone, the Loan Parties will maintain insurance coverage for flood, earthquake, and named storm and wind (provided that Agent waives the requirements under the foregoing clause (iv) as of the Effective Date; provided that this shall not preclude Agent requiring such insurance be put in place if such status changes at any point during this Agreement).

(b) (i) Within ten (10) days of executing any agreement with any contractor or subcontractor for any improvements on the Collateral Properties and, in any event, prior to beginning any such construction, cause the contractors and subcontractors performing work on such improvements to maintain property (including "**Builder's Risk**" coverage), general liability, worker's compensation, automotive liability insurance policies, and professional liability or errors and omissions insurance, in types and amounts, typically held by contractors and

subcontractors constructing and installing improvements similar in character to such improvements and (ii) without limiting the foregoing, require any general contractor to satisfy the additional insurance provisions set forth on Schedule 5.7.

(c) Cause all such policies of insurance to be with financially sound and reputable insurance companies reasonably acceptable to Agent and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to Agent. For the avoidance of doubt, financially sound and reputable insurance companies shall mean all insurance carriers must: (i) be licensed in the Core States, and (ii) be rated at least A-VIII in A.M Best's rating guide, or A- by S&P or A3 by Moody's.

(d) Cause all property insurance policies covering the Collateral to be made payable to Agent for the benefit of the Lenders, as their interests may appear, in case of loss, pursuant to a lender loss payable endorsement with a standard noncontributory "**lender**" or "**secured party**" clause to the extent not otherwise payable to the Lender Group pursuant to the terms of such insurance policy and to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interests in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the lender loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for (unless agreed to by Agent) not less than thirty (30) days (ten (10) days in the case of non-payment) prior written notice to the Lender Group of the exercise of any right of cancellation. Once per calendar year, Agent shall have the right to request and the Loan Parties shall promptly deliver the current insurance policies of the Loan Parties for Agent's review of such policies for compliance with this Section 5.7.

(e) Allow Agent to arrange for such insurance, if Borrower or any Subsidiary thereof fails to maintain such insurance, but at Borrower's expense and without any responsibility on Agent's and any Lender's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims.

(f) Provide Agent and each Lender prompt notice of any loss exceeding five hundred thousand Dollars ($500,000) covered by any Loan Party's or its Subsidiaries' casualty or business interruption insurance. So long as no Event of Default has occurred and is continuing, the Loan Parties shall have the exclusive right to adjust, if available, any losses payable under any such insurance policies. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

5.8 **Compliance with Laws**

Comply with the requirements of all Applicable Laws, Permits, Cannabis Licenses, and orders of any Governmental Authority (including but not limited to, laws, rules, or regulations as they relate to cannabis) in all material respects.

5.9 **Environmental**

Except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect:

(a) Keep any property either owned or operated by any Loan Party or any Subsidiary free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens,

(b) Comply, in all material respects, with Environmental Laws and provide to Agent and each Lender documentation of such compliance which Agent or any Lender reasonably requests,

(c) Promptly notify Agent and each Lender of any Release of which Borrower has knowledge of a Hazardous Material in any reportable quantity at, from or onto the Real Property or any other property owned or operated by any Loan Party or its Subsidiaries including any Release identified in the course of any Phase II investigation conducted on behalf of Borrower and take any Remedial Actions required to abate said Release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, including any actions required to receive a "**No Further Action**" letter or similar confirmation from the relevant Governmental Authority evidencing completion of the remediation and compliance with Environmental Law, and provide Agent and each Lender with a copy of such No Further Action Letter or similar confirmation, and

(d) Promptly, but in any event within five (5) Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) notice that an Environmental Lien has been filed against any of the real or personal property of any Loan Party or its Subsidiaries, (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party or its Subsidiaries, and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority.

5.10 **Disclosure Updates**

Promptly upon obtaining knowledge thereof, notify Agent and each Lender if any written information, exhibit, or report furnished to the Lender Group contained, at the time it was furnished, any untrue statement of material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules thereto.

5.11 **Non-Loan Party Subsidiaries; Formation or Acquisition of Subsidiaries**

(a) For any wholly-owned or majority-owned Subsidiaries of any Loan Party that is not a Loan Party on the Effective Date, promptly upon obtaining any approvals as may be necessary under applicable Cannabis Laws (or immediately if no such approval is required), the Loan Parties shall cause such wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders and except for those Subsidiaries listed in Section 6.19) to (i) execute and deliver to Agent a joinder to the Credit Agreement and the Subsidiary Guaranty, as applicable, in each case in form and substance reasonably satisfactory to Agent, (ii) execute and deliver to Agent a joinder to the Security Agreement in the form contemplated thereby, together with such other security documents, as well as appropriate financing statements (and, subject to Section 5.12, with respect to all owned Real Property subject to a Mortgage, fixture filings), all in form and substance reasonably satisfactory to Agent (including being sufficient to grant Agent a first priority Lien (subject to Permitted Priority Liens) in and to the applicable assets of such newly formed or acquired direct wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders)) which Lien is granted by such wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders) in favor of Agent, on behalf of the Lender Group, under any of the Loan Documents (excluding all Excluded Assets, as defined in the Security Agreement), (iii) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or addendum to the Security Agreement) and appropriate certificates and powers or financing statements, as applicable pledging all of the direct or beneficial ownership interest in such wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders), each in form and substance reasonably satisfactory to Agent, (iv) provide, or cause the applicable Loan Party to provide, to Agent a joinder to the Intercompany Subordination Agreement in the form contemplated thereby and (v) provide to Agent all other customary documentation, including, to the extent reasonably requested by Agent, one or more opinions of counsel (to the extent requested by Agent) reasonably satisfactory to Agent which in its reasonable opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above.

(b) Upon the acquisition by any Loan Party of any direct wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders) after the Effective Date, within thirty (30) days of such formation or acquisition (or such later date as permitted by Agent in its sole discretion), the Loan Parties shall cause such new direct wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders) to (i) execute and deliver to Agent a joinder to the Credit Agreement and Subsidiary Guaranty, as applicable, in each case in form and substance reasonably satisfactory to Agent, (ii) execute and deliver to Agent a joinder to the Security Agreement in the form contemplated thereby, together with such other security documents, as well as appropriate financing statements (and with respect to all owned Real Property subject to a Mortgage, fixture filings), all in form and substance reasonably satisfactory to Agent (including being sufficient to grant Agent a first priority Lien (subject to

Permitted Priority Liens) in and to the applicable assets of such newly formed or acquired direct wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders)) which Lien is granted by such new direct wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders) in favor of Agent, on behalf of the Lender Group, under any of the Loan Documents (excluding all Excluded Assets, as defined in the Security Agreement), (iii) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or addendum to the Security Agreement) and appropriate certificates and powers or financing statements, as applicable pledging all of the direct or beneficial ownership interest in such new direct wholly-owned or majority-owned Subsidiary (except with the written consent of the Required Lenders), each in form and substance reasonably satisfactory to Agent, (iv) deliver to Agent the organizational documents of such new direct wholly-owned or majority-owned Subsidiary and an updated organizational chart, (v) provide, or cause the applicable Loan Party to provide, to Agent a joinder to the Intercompany Subordination Agreement in the form contemplated thereby and (vi) provide to Agent all other customary documentation, including, to the extent reasonably requested by Agent, one or more opinions of counsel (to the extent requested by Agent) reasonably satisfactory to Agent which in its reasonable opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above.

(c) Universal Hemp, LLC, Universal Hemp II, LLC and Universal Hemp Canada ULC shall be excluded from the requirements of this Section 5.11.

(d) Any document, agreement, or instrument executed or issued pursuant to this Section 5.11, Section 5.12 or Section 5.13 shall constitute a Loan Document.

5.12 **Real Property**

With respect to any Real Property acquired after the Effective Date (other than with respect to any Real Property in the jurisdiction of California) in each case, in the aggregate with a fair market value in excess of fifty thousand dollars ($50,000), the applicable Loan Party owning any such Real Property shall, within thirty (30) days of such acquisition, take such actions and execute and deliver, or cause to be executed and delivered, all such Mortgages, instruments, agreements, opinions, certificates and all other Mortgage Supporting Documents with respect to such owned Real Property as reasonably requested by Agent to create in favor of Agent, a valid and perfected first priority security interest in such owned Real Property or to otherwise grant Agent rights with respect thereto consistent with the rights granted to Agent with respect to other owned Real Property subject to a Mortgage pursuant to the Loan Documents and (b) any leased Real Property, including any Lease entered into by any Loan Party after the Effective Date, the applicable Loan Party shall, within thirty (30) days of entering into such Lease, deliver a copy of any Lease and execute and deliver, or cause to be executed and delivered, a Collateral Assignment and such other agreements with respect to such Lease, and take such actions (including obtaining any landlord consents) as reasonably requested by Agent.

5.13 **Further Assurances**

At any time upon the reasonable request of Agent, Parent and each other Loan Party shall promptly execute or deliver to Agent, any and all financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, Mortgages, deeds of trust, opinions of counsel, and all other documents that Agent may reasonably request in form and substance reasonably satisfactory to Agent (collectively, the "**Additional Documents**"), to create, perfect, and continue perfected Agent's Liens in all of the properties and assets of the Loan Parties in the Core States, to create and perfect Liens in favor of Agent in the assets of Parent or such other Loan Party required to be pledged pursuant to the Loan Documents, and in order to fully consummate all of the transactions contemplated hereby and under the Loan Documents. To the maximum extent permitted by Applicable Law, Parent and each other Loan Party authorizes Agent, after the occurrence and during the continuance of an Event of Default, to execute any such Additional Documents in the Parent's or other applicable Loan Party's name and to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, Parent and each other Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by Parent and any Subsidiary Guarantors and are secured by substantially all of the assets of Borrower and its Subsidiaries in the Core States, including all of the outstanding capital Stock of Borrower and its Subsidiaries, excluding all Excluded Assets, as defined in the Security Agreement.

5.14 **Lender Meetings**

The Loan Parties shall, within one hundred and twenty (120) days after the close of each fiscal year of Borrower (or such later date as Agent may agree), at the request of Agent and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time or, at the option of Agent, by conference call) with the Lenders at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of the Loan Parties and the projections presented for the current fiscal year of Borrower.

5.15 **Material Contracts**

Each Loan Party shall and shall cause each of its respective Subsidiaries to, observe and perform all of the covenants, terms, conditions and agreements contained in the Material Contracts to be observed or performed by it thereunder if failure to so is likely to have a Material Adverse Effect. Each Loan Party will, and will cause each other Loan Party to, use commercially reasonable efforts to ensure that any Material Contract entered into after the Effective Date (other than any renewals, amendments or extensions of Material Contracts in existence as of the Effective Date) by any Loan Party (a) permits the grant of a security interest in such agreement (and all rights of such Loan Party thereunder) to such Loan Party's lenders or an agent for the Lenders (and any transferees of the Lenders or such agent, as applicable) and (b) does not contain any term or provision adverse in any material respect to the rights, interests or privileges of Agent or the Lenders. No Loan Party shall release, or shall permit any of its Subsidiaries to release, the liability of any party under any Material Contract if such release is likely to have a Material Adverse Effect.

5.16 **Books and Records**

Each Loan Party shall keep proper books of records and accounts in which full, true and correct entries in conformity with GAAP and all requirements of law, in each case, in all material respects, shall be made of all dealings and transactions in relation to its businesses and activities.

5.17 **Board Observer Rights**

At Borrower's option, Agent shall have the right to designate (and replace from time to time), and Borrower shall invite, one (1) representative (the "Lender Observer") to attend all meetings of Parent's Board of Directors (and any committees thereof) in a nonvoting observer capacity and, in this respect, Parent shall give the Lender Observer copies of all notices, minutes, consents and other material that Parent provides to its directors at the same time and in the same manner as provided to such directors. As a condition to becoming the Lender Observer, the Lender Observer shall agree to hold in confidence and trust all information so provided; and provided further, that Parent reserves the right to withhold information and to exclude the Lender Observer from any meeting or portion thereof if the Board of Directors of Parent determines in good faith after due deliberation (and, with respect to attorney-client privilege and conflicts of interest, advice of counsel) that such exclusion is reasonably necessary (i) to preserve the attorney-client privilege or (ii) to avoid a potential conflict of interest. The Lender Observer may participate in discussions of matters brought to the Board of Directors of Parent and, upon reasonable notice and at a scheduled meeting of such Board of Directors or such other time, if any, may address such Board of Directors with respect to the Lender Observer's concerns regarding significant business issues facing Borrower. Borrower shall reimburse the Lender Observer for all reasonable out-of-pocket expenses incurred by the Lender Observer in connection with attendance at each meeting of such Board of Directors and any committee meetings related thereto and any such reimbursement shall be paid to the Lender Observer no later than comparable reimbursement is paid to the members of such Board of Directors. Borrower shall indemnify and hold the Lender Observer harmless from and against any losses, claims, damages, liabilities and expenses to which Lender Observer may become to the same extent and in the same manner to the same extent as if such Lender Observer were a director of Parent.

5.18 **Cooperation with REIT**

Borrower and each of its Subsidiaries shall, to the extent commercially reasonable, cooperate with each Lender with respect to amending, supplementing or otherwise modifying any documents or instruments in connection with any actions or modifications not adverse to Borrower in any material respect necessary or advisable to maintain the status of any Lender in its capacity as a "real estate investment trust" within the meaning of Section 856 of the IRC.

5.19 **Board Meetings**

The Board of Directors of Parent shall conduct a meeting (which may be telephonic, virtual or in-person) with quorum (and, with respect to such meetings of the Board of Directors of Parent, including the Lender Observer) no less than once a quarter.

5.20 **Management Agreement**

Borrower and any applicable Affiliate (that is not otherwise a wholly-owned Subsidiary of Borrower) shall maintain each management agreement, or similar agreement for shared services, in full force and effect and, subject to any applicable regulatory requirements, timely perform all of Borrower's or such applicable Affiliate's obligations thereunder and enforce performance of all obligations of the manager thereunder. The management fee and/or advisory fee payable under any such management agreement shall be reasonably consistent with that which would exist in an arms-length agreement between unrelated parties. Similarly, the expenses and other amounts allocated to Borrower or their Affiliates (that is not otherwise a wholly-owned Subsidiary of Borrower) for shared services under any such management agreement shall also be reasonably consistent with that which would exist in an arms' length agreement between unrelated parties. Borrower shall not, and shall not allow any Affiliate (that is not otherwise a wholly-owned Subsidiary of Borrower) to, enter into any new management agreement or similar agreement for shared services following the Effective Date without Agent's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

5.21 **Regulatory Approvals**

(a) Parent and Borrower shall use best efforts, and shall fully cooperate with the Lender Group and each applicable Governmental Authority, to obtain any approvals as may be necessary or desirable under applicable Cannabis Laws with respect to registration of this Agreement (and/or the Loans provided hereunder).

(b) Parent and Borrower shall use best efforts, and shall fully cooperate with the Lender Group and each applicable Regulatory Authority, to obtain any pre-approvals or approvals as may be necessary or desirable under applicable Cannabis Laws to assign or transfer any Cannabis Licenses held by Borrower upon the occurrence and continuation of an Event of Default and the exercise of remedies in accordance with Section 9.1.

(c) Notwithstanding anything herein to the contrary, Agent and each Lender further acknowledges that they are solely responsible for providing the personal information applicable to Agent and each Lender that is required to be furnished to applicable Governmental Authority or Regulatory Authority in connection with the aforementioned required pre-approvals and approvals and for completing in whole or in part the required registration and/or other applicable forms to be submitted thereto, and the cooperation of Borrower and other Loan Parties shall be dependent on Agent and each Lender providing such personal information and completing such forms to the extent applicable and in a timely manner. If any Lender is rejected by the applicable Governmental Authority in any jurisdiction where such approval is required (including any appeals processes in place in the applicable jurisdiction) for purposes of Agent and the Lender Group maintaining a lien in accordance with the Loan Documents or if any Regulatory Authority threatens to revoke or terminate the Cannabis License issued by such Governmental Authority, then, in each case (i) first, any applicable Cannabis License or other Collateral of the licensed entity or any equity pledge of the

license entity subject to regulation shall be released from the Collateral, (ii) second, if such release from the Collateral does not result in the Governmental Authority ceasing the threatened revocation or termination, any applicable Loan Parties subject to regulation by such Governmental Authority shall be released from their Obligations, (iii) third, if such release from Obligations does not result in the Governmental Authority ceasing the threatened revocation or termination, such Lender shall be required to sell and/or transfer its portion of the Loan to an Affiliate or another Lender to this Agreement approved by such Governmental Authority and (iv) fourth, if such sale or transfer is not practicable, such Lender shall be required to sell and/or transfer its portion of the Loan to a new lender approved by such applicable Governmental Authority, in each case within thirty (30) days following such rejection. In addition, if in connection with any renewal of any Cannabis License, Agent or any Lender shall fail within sixty (60) days of written notice (complying with the notice provisions of this Agreement) by Borrower or the applicable Loan Party to Agent or Lender, to provide the required information required with respect to Agent or such Lender by any Governmental Authority to renew such Cannabis License, in each case (i) first, any applicable Cannabis License or other Collateral of the licensed entity or any equity pledge of the license entity subject to regulation shall be released from the Collateral and (ii) second, if such release from the Collateral does not result in the missing information no longer being required, any applicable Loan Parties subject to regulation by such Governmental Authority shall be released from their Obligations. In connection with any release contemplated by this Section 5.21(c), Agent will, at Borrower's sole expense, execute and deliver any termination statements (or, alternatively, upon Borrower's request, at Borrower's sole expense, authorize the Loan Parties to file termination statements), lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary or requested by Borrower to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent with respect to the Obligations with respect to the applicable Collateral or Loan Party.

For the avoidance of doubt, Borrower and each Loan Party's obligations with respect to regulatory pre-approvals and approvals shall be limited to the obligations to provide best efforts as provided for in Sections 5.21(a) and 5.21(b). The failure of Agent or any Lender to receive any such approval (i) shall not result in an Event of Default and (ii) the applicable Collateral shall be released from the lien contemplated hereunder as provided for in Section 5.21(c).

5.22 **Communications with Governmental Authorities**

Promptly, but in no event later than five (5) days after submission to any Governmental Authority, or receipt thereof, Borrower shall furnish to Agent all documents and information furnished to or received from such Governmental Authority in connection with any investigation of any Loan Party or inquiries by such Governmental Authority.

5.23 **Construction Contracts**

Within three (3) Business Days of entering into any contract or series of contracts with respect to any construction or improvements on Collateral Property with a value in excess of five hundred thousand Dollars ($500,000), provide copies of all such contracts to Agent along with the construction plan, reports and any other documentation reasonably requested in connection with such construction.

5.24 **Budget and Variance Report**

On the last Wednesday of the first full calendar month after the Effective Date and on the Wednesday which falls in the last week of each succeeding four week period thereafter (or on the immediately succeeding Business Day if any such Wednesday is not a Business Day), (x) an updated proposed Budget for the immediately succeeding thirteen-week period and (y) a duly completed Budget and variance certificate shall be prepared by the Borrower's management and certified by the chief financial officer of the Borrower and shall (i) attach the updated proposed Budget for the immediately succeeding thirteen-week period, (ii) include a certification of the chief financial officer of Borrower that (a) such proposed Budget was prepared by the Borrower in good faith and (b) such proposed Budget was prepared in accordance with assumptions for which Borrower have a reasonable basis; provided that, with respect to the foregoing clauses (a) and (b), without limitation of any of the other provisions of this Agreement, Agent and Lenders acknowledge that the Budget represents forward-looking information, is subject to certain inherent uncertainties and that actual results may vary from such Budget, and (iii) other than in connection with the initial Budget delivered as required above, include the information required for the immediately preceding Measurement Period reflecting the Parent and its Subsidiaries actual performance for such Measurement Period along with comparisons of the actual performance as compared to the performance projected for such Measurement Period pursuant to the most recently delivered Budget in the manner set forth in the definition thereof (including a calculation of the percentage variances and explanations for such variances.

5.25 **[Reserved]**

5.26 **ERC Agreement**

Promptly, but in any event within three (3) Business Days of its receipt thereof, provide Agent with copies of any written notice or documentation received from the Internal Revenue Service or the ERC Lender under the ERC Agreement or otherwise in connection with or related to the ERC Tax Refund Claim. Each Loan Party shall and shall cause each of its respective Subsidiaries to, observe and perform all of the covenants, terms, conditions and agreements contained in the ERC Agreement to be observed or performed by it thereunder. The breach or violation by any Loan Party of any obligation contained in this Section 5.26 shall constitute an immediate Event of Default.

6. NEGATIVE COVENANTS

Each Loan Party covenants and agrees that, until payment in full of the Obligations (other than contingent obligations in respect of which no claim has been made), no Loan Party will, and no Loan Party will permit any of its Subsidiaries to do any of the following:

6.1 **Indebtedness**

Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 **Liens**

Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 **Restrictions on Fundamental Changes**

(a) Enter into any Acquisition, merger, consolidation, reorganization, or recapitalization, or reclassify its Stock (including pursuant to a "**division**" under Delaware law), except: (i) for any merger between Loan Parties; (ii) for any merger between a Loan Party and a Subsidiary of such Loan Party that is not a Loan Party; provided that, the Loan Party is the surviving entity of any such merger to which is a party; (iii) [reserved] or (iv) in connection with the Permitted Canopy Transaction;

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution) other than a solvent voluntary liquidation, winding-up or dissolution of any Subsidiaries not holding any assets and so long as the proceeds of any such liquidation, winding-up or dissolution are paid to a Loan Party; or

(c) Suspend or cease operating a substantial portion of its or their business.

6.4 **Disposal of Assets**

Other than Permitted Dispositions or transactions permitted by Section 6.3 and Section 6.11, convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any of its or their assets (any such conveyance, sale, lease, license, assignment, transfer or other disposition, a "**Disposition**").

6.5 **Change Name**

Change Parent's or any other Loan Party's name, organizational identification number, state of organization or organizational identity; provided, however, that Parent or any other Loan Party may change its name, organizational identification number, state of organization or organizational identity upon at least fifteen (15) days' prior written notice to Agent of such change and so long as at the time of such written notification, such Person provides any financing statements necessary to perfect and/or continue perfection of Agent's Liens.

6.6 **Nature of Business**

Make any material change in the nature of its or their business as described in Schedule 6.6 or acquire any properties or assets that are not reasonably related to the conduct of such business activities.

6.7 **Prepayments, Payments and Amendments**

(a) Optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Loan Party, other than the Obligations in accordance with this Agreement;

(b) make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions;

(c) making any cash payment of any kind (whether pursuant to any optional or mandatory prepayment, amortization payments or otherwise) on account of the Investment Debt; or

(d) directly or indirectly, amend, modify, alter, or change any of the terms or provisions of:

(i) the Governing Documents of any Loan Party if the effect thereof, either individually or in the aggregate, could reasonably be expected to be adverse to the interests of the Lenders;

(ii) any Material Contract if the effect thereof, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(iii) the Arrangement Agreements without the prior written consent of the Required Lenders, but only to the extent that such amendment, modification, alteration, or change would be materially adverse to the Lenders (in their respective capacities as such) or Loan Parties; or

(iv) any Investment Debt Document if the effect thereof would be to require any cash payments to be made prior to 91 days after the Maturity Date.

6.8 **Restricted Payments**

Make Restricted Payments other than:

(a) to the extent constituting Permitted Investments;

(b) Permitted Tax Payments; and

(c) from and after the First Out Payout Date, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the making of such proposed Restricted Payment and (ii) Borrower is in pro forma compliance with the financial covenants set forth in 7 (to the extent applicable), both before and after giving effect to such Restricted Payment.

6.9 **Accounts**

Other than with respect to any Deposit Account or Securities Account opened or acquired after the Effective Date (as to which the Loan Parties shall comply with this Section 6.9 within thirty (30) days (or such longer period of time as consented to by Agent in its sole discretion) after such opening or acquisition), no Loan Party shall establish or maintain a Deposit Account or Securities Account that is not subject to a Control Agreement in favor of Agent and no Loan Party will deposit proceeds in a Deposit Account or Securities Account which is not subject to a Control Agreement in favor of Agent, except accounts used solely for payroll or tax payments and credit card processing or as otherwise agreed in writing by Agent.

6.10 **Accounting Methods**

Modify or change its fiscal year end from December 31 or its method of accounting (other than as may be required to conform to GAAP).

6.11 **Investments**

Except for Permitted Investments, directly or indirectly, make or acquire any Investment.

6.12 **Transactions with Affiliates**

Directly or indirectly, enter into or permit to exist any transaction with any Affiliate of any Loan Party or any of its Subsidiaries (including the payment any of management, advisory, consulting fees or the like), except for:

(a) transactions between a Loan Party, on the one hand, and any Affiliate of such Loan Party, on the other hand, so long as such transactions (i) are upon fair and reasonable terms, (ii) are fully disclosed to Agent if they involve one or more payments by such Loan Party in excess of two hundred and fifty thousand dollars ($250,000) in the aggregate per fiscal year, (iii) are no less favorable to such Loan Party than would be obtained in an arm's length transaction with a non-Affiliate, and (iv) are commercially reasonably necessary or beneficial to running the business;

(b) transactions permitted under Section 6.8;

(c) so long as it has been approved by such Loan Party's Board of Directors (or comparable governing body) in accordance with Applicable Law, (i) the payment of reasonable and customary compensation, severance, or employee benefit arrangements to employees, officers, and outside directors of such Loan Party in the ordinary course of business and consistent with industry practice, and (ii) the payment of reasonable and customary indemnification obligations to employees, officers, and outside directors of such Loan Party in the ordinary course of business and consistent with industry practice; and

(d) transactions exclusively among the Loan Parties.

6.13 **[Reserved]**

6.14 **Benefit Plans**

Maintain or contribute to any Benefit Plan or permit any ERISA Affiliate to maintain to contribute to any Benefit Plan.

6.15 **Limitation on Issuance of Stock**

Issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Stock except for (a) the issuance or sale of any of its Stock to Parent or any other Loan Party, (b) in connection with social equity requirements with respect to any Cannabis Licenses in accordance with the Regulatory Authority, (c) any other issuance or sale of any of its Stock so long as such issuance or sale is (i) upon fair and reasonable terms and (ii) no less favorable to such Loan Party than would be obtained in an arm's length transaction and (d) in connection with the Permitted Canopy Transaction so long as any such Stock issued by the applicable Loan Party does not constitute Disqualified Stock. For the avoidance of doubt, this Section 6.15 shall not prohibit or restrict Parent from issuing or selling or entering into any agreement or arrangement for the issuance or sale of any of its Stock in any respect.

6.16 **[Reserved]**

6.17 **[Reserved]**

6.18 **Capital Expenditures**

Permit the aggregate amount of Capital Expenditures incurred in any fiscal year with respect to all Loan Parties on a consolidated basis to exceed Fifty Million Dollars ($50,000,000), except as otherwise approved by the Agent in writing (such approval not to be unreasonably withheld); provided that at least seventy five percent (75%) of any such Capital Expenditures financed by the Loans must be directed to the Collateral located in the Core States.

6.19 **Restricted Subsidiaries**

Allow Acreage Illinois 2, LLC, Acreage Illinois 4, LLC, Acreage Illinois 5, LLC, Acreage Illinois 6, LLC or Acreage Compassionate Care Holdings OK, LLC to engage in any activities, own any assets or incur any liabilities unless such entity delivers an operating agreement in accordance with Schedule 3.6.

7. FINANCIAL COVENANTS

The Loan Parties covenant and agree that, until payment in full of the Obligations (other than contingent obligations in respect of which no claim has been made), the Loan Parties shall:

7.1 **Maximum Senior Leverage Ratio**

Have a Senior Leverage Ratio, measured on a fiscal quarter-end basis, of not greater than the correlative ratio indicated in the following table:

Applicable Ratio	Fiscal Quarter Ending
4.75x	December 31, 2024 and each fiscal quarter following thereafter

7.2 **Maximum Total Leverage Ratio**

Have a Total Leverage Ratio, measured on a fiscal quarter-end basis, of not greater than the correlative ratio indicated in the following table:

Applicable Ratio	Fiscal Quarter Ending
6.50x	December 31, 2024 and each fiscal quarter following thereafter

7.3 **Minimum Fixed Charge Coverage Ratio**

Have a Fixed Charge Coverage Ratio, measured on a fiscal quarter-end basis of not less than the correlative ratio indicated in the following table:

Applicable Ratio	Fiscal Quarter Ending
1.00x	December 31, 2024 and each fiscal quarter following thereafter

7.4 **Minimum Cash Balance**

Maintain a sum of unrestricted cash and Cash Equivalents measured on a fiscal quarter-end basis in an amount not less than the amounts indicated in the following table for the fiscal quarters set forth below:

Applicable Amount	Fiscal Quarter Ending
$3,000,000.00	December 31, 2024 and each fiscal quarter following thereafter

8. EVENTS OF DEFAULT

8.1 **Events of Default**

Any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Payments.

If any Loan Party fails to pay when due and payable, or when declared due and payable, all or any portion of the Obligations consisting of principal, interest, other fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding) and such required payment is not made within five (5) Business Days of its due date; or

(b) Covenants. If any Loan Party or any of its Subsidiaries:

(i) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 5.1 (Financial Statements, Reports, Certificates), 5.2 (Collateral Reporting), 5.4 (Inspection), 5.7 (Insurance), 5.10 (Disclosure Updates), 5.11 (Formation or Acquisition of Subsidiaries), 5.14 (Lender Meetings), and 5.26 (ERC Agreement), or (ii) subject to Section 9.4, Section 7, and, in each case, such failure continues for a period of ten (10) Business Days after the earlier of (A) the date on which such failure shall first become known to any officer of any Loan Party and (B) the date on which notice thereof is given to Borrower by Agent or any Lender;

(ii) fails to perform or observe any covenant or other agreement contained in any of Section 6, and, such failure continues for a period of fourteen (14) calendar days after the earlier of (A) the date on which such failure shall first become known to any officer of any Loan Party and (B) the date on which notice thereof is given to Borrower by Agent or any Lender;

(iii) fails to perform or observe any covenant or other agreement contained in any of Sections 5.3 (Existence), 5.5 (Maintenance of Properties), 5.6 (Taxes), 5.8 (Compliance with Laws), 5.9 (Environmental), 5.12 (Additional Real Property), 5.13 (Further Assurances), and 5.15 (Material Contracts) of this Agreement and such failure continues for a period of fifteen (15) Business Days after the earlier of (i) the date on which such failure shall first become known to any officer of any Loan Party and (ii) the date on which notice thereof is given to Borrower by Agent or any Lender; or

(iv) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8.1 (in which event such other provision of this

Section 8.1 shall govern), and such failure continues for a period of twenty (20) Business Days after the earlier of (i) the date on which such failure shall first become known to any officer of any Loan Party and (ii) the date on which notice thereof is given to Borrower by Agent; or

(c) Assets. If any material portion of the Loan Parties' assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person and the same is not discharged before the earlier of thirty (30) calendar days the date it first arises or five (5) calendar days prior to the date on which such property or asset is subject to forfeiture by such Loan Party; or

(d) Voluntary Bankruptcy. If an Insolvency Proceeding is commenced by a Loan Party; or

(e) Involuntary Bankruptcy. If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Person consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within sixty (60) calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Person, or (e) an order for relief shall have been issued or entered therein; or

(f) Business Affairs. If any Loan Party is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs; or

(g) Judgments. If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of one million dollars ($1,000,000) or more (exclusive of amounts covered (other than to the extent of customary deductibles) by insurance) is entered or filed against any Loan Party, or with respect to any of their respective assets, and either (a) there is a period of thirty (30) consecutive days at any time after the entry of any such judgment, order, or award during which (x) the same is not discharged, satisfied, stayed, vacated, or bonded pending appeal, or (y) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award; or

(h) Default Under Other Agreements. If there is a default in one or more agreements (other than Investment Debt Documents) to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness involving an aggregate amount of one million dollars ($1,000,000) or more, and such default (i) occurs at the final maturity of the obligations thereunder, or (ii) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party's obligations thereunder; or

(i) Representations, etc. If any warranty, representation, certificate or statement made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof; provided that no Event of Default shall exist if the circumstances causing such warranty, representation or certificate to be untrue are remedied within five (5) Business Days of notice thereof from Agent; or

(j) Guaranty. If the obligation of Parent under the Parent Guaranty or the obligation of any Subsidiary Guarantor under any Subsidiary Guaranty is limited or terminated by operation of law or by the applicable guarantor; or

(k) Security Documents. If (i) the Security Agreement, any Mortgage or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected, and except to the extent of Permitted Priority Liens, first priority Lien on the Collateral covered thereby, subject to Permitted Priority Liens or (ii) any material portion of the Collateral (not fully covered by insurance as to which the relevant insurance company has not disputed coverage) shall be lost, stolen, materially damaged or destroyed; or

(l) Loan Documents. The validity or enforceability of any Loan Document shall at any time for any reason be declared to be null and void, or a proceeding shall be commenced by a Loan Party, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party shall deny that such Loan Party has any liability or obligation purported to be created under any Loan Document; or

(m) Change of Control. A Change of Control shall occur, whether directly or indirectly, except in connection with the Permitted Canopy Transaction; or

(n) Material Adverse Effect. A Material Adverse Effect shall be reasonably determined to have occurred; or

(o) ERISA Event. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Loan Party to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan; a Loan Party or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan; or any event similar to the foregoing occurs or exists with respect to a Foreign Plan.

9. THE LENDER GROUP'S RIGHTS AND REMEDIES

9.1 Rights and Remedies

Upon the occurrence and during the continuation of an Event of Default and in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by Applicable Law, Agent may, and, at the direction of the Required Lenders, shall, do any one or more of the following:

(a) declare all or any portion of the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loan and all other Obligations, whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrower shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by Borrower;

(b) [reserved];

(c) terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of the Lender Group, but without affecting any of Agent's Liens in the Collateral and without affecting the Obligations; and

(d) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under Applicable Law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.1(d) or Section 8.1(e), in addition to the remedies set forth above, without any notice to Borrower or any other Person or any act by the Lender Group, the Obligations, inclusive of the principal of, and any and all accrued and unpaid interest and fees in respect of the Loans and all other Obligations, whether evidences by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and Borrower shall automatically be obligated to repay all of such Obligations in full, without presentment, demand, protest, or notice or other requirement of any kind, all of which are expressly waived by Borrower.

Agent shall not be required to take any action pursuant to this Section 9.1 unless so directed in writing by the Required Lenders and in Agent's good faith determination, taking such enforcement action is permitted under the terms of the Loan Documents and Applicable Law, and taking such enforcement action will not result in any liability of Agent to any Loan Party or any other Person for which Agent has not been indemnified for under the Loan Documents.

9.2 Remedies Cumulative

The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise

by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.3 **Sale of Licenses**

Upon the occurrence and during the continuation of an Event of Default under Section 8.1(a) and written notice thereof to Borrower, without limiting any other right or remedy of Agent or Lenders hereunder or under any Loan Document, Agent (at the request of Required Lenders) may require the following pursuant to its written notice delivered to Borrower following: (i) Borrower's failure to cure such Event of Default within five (5) days of receipt of such notice (for the first two occurrences of an Event of Default under Section 8.1(a)) and (ii) thereafter, expiration of the grace period set forth in Section 8.1(a) (the "**Sale Notice**"):

(a) Milestones. By no later than thirty (30) days following the date of the Sale Notice, Borrower shall commence a full process to sell one or more Cannabis Licenses, as determined in Borrower's reasonable discretion (subject to clause (v) below), and related properties (including, without limitation, the Collateral Properties) and operations held by the Loan Parties (the "**Sale Assets**"). As part of such sale process:

(i) By no later than sixty (60) days following the date of the Sale Notice, Borrower shall provide Agent with proposals from no less than three (3) investment banks or brokers for running the sale process, which investment banks or brokers shall be subject to Agent's approval in its reasonable discretion, and such proposals shall include detailed compensation information for each investment bank or broker;

(ii) By no later than sixty-five (65) days following the date of the Sale Notice, Borrower shall indicate to Agent the investment bank or broker that it seeks to retain, provided that the retention of such investment bank or broker shall be subject to Agent's approval in its reasonable discretion;

(iii) Borrower shall retain such investment bank or broker by no later than seventy (70) days following the date of the Sale Notice and provide a signed copy of the engagement letter between Borrower and the selected investment bank or broker to Agent by no later than eight-five (85) days following the date of the Sale Notice;

(iv) Borrower shall cause the selected investment bank or broker to commence the marketing process by no later than ninety (90) days following the date of the Sale Notice, and shall cooperate with the investment bank or broker to facilitate such marketing process, including by providing (for access by potential bidders) all information reasonably requested by the investment bank or broker;

(v) Borrower shall include in the sale process the Sale Assets expected (based on valuations by the investment bank or broker) to yield proceeds sufficient to repay all Obligations in full in cash (including any premiums, exit fees, penalties and/or default interest). If the sale of all Sale Assets

held by the Loan Parties would not be expected to yield sufficient proceeds to repay all Obligations in full in cash (including any premiums, exit fees, penalties and/or default interest), the sale process will be for all Sale Assets held by the Loan Parties.

(vi) Borrower shall request initial letters of interest, along with each such potential buyer's qualifications, by no later than one hundred thirty (130) days following the date of the Sale Notice and signed letters of intent by no later than one hundred fifty (150) days following the date of the Sale Notice;

(vii) Borrower shall have signed purchase agreement(s) for the sales of the Sale Assets by no later than one hundred sixty five (165) days following the date of the Sale Notice; and

(viii) Borrower shall close such sales by no later than two hundred twenty five (225) days following the date of the Sale Notice.

(b) Sale Process. Borrower shall cause the selected investment bank or broker to provide to the Lenders and Agent a detailed weekly report on the sale process including the number and identity of (i) potential bidders contacted, (ii) potential bidders negotiating non-disclosure agreements, (iii) potential bidders with signed non-disclosure agreements and (iv) potential bidders who have accessed the virtual data room, and the number of documents reviewed. Such report shall also include (x) copies of all letters of intent received and (y) copies of all definitive bids received, together with such bidders' financial statements. The selected investment bank or broker and the Lenders and/or their advisors shall also conduct update calls every week. Borrower shall consult with the Lender and/or their advisors regarding all definitive bids received. The terms and conditions of any sale of any Sale Assets must be approved by the Required Lenders.

(c) Attorney-In-Fact. Each Loan Party hereby irrevocably appoint Agent as its attorney-in-fact, with full authority in the place and stead of such Loan Party and in the name of such Loan Party or otherwise, at such time as an Event of Default has occurred and is continuing, to take any action and to execute any instrument which Agent may reasonably deem necessary to accomplish the purposes of this Section 9.3, including if the applicable Loan Parties have not complied, to ensure such compliance by giving instructions or providing information to the investment bank, broker or other advisors so long as such instructions are commercially reasonable and given in good faith, and by executing and delivering necessary agreements and documents. To the fullest extent permitted by law, each Loan Party hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

(d) Specific Performance. The Loan Parties, Agent and the Lenders agree that irreparable damage would occur, and that Agent and the Lenders would not have an adequate remedy at law, in the event that any of the provisions of this Section 9.3 were not performed in accordance with their specific terms or were

otherwise breached. It is accordingly agreed that Agent and the Lenders shall be entitled to an injunction or injunctions to prevent breaches or anticipated breaches of this Section 9.3 and to specifically enforce the terms and provisions of this Section 9.3, without proof of actual damages or otherwise, in addition to any other remedy to which Agent and the Lenders are entitled to at law or in equity. Each Loan Party agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. The Loan Parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy.

9.4 **Equity Cure**

(a) In the event the Loan Parties fail to comply with the financial covenants set forth in Section 7, subject to the terms and conditions hereof, Borrower shall have the right (the "**Cure Right**") until the expiration of the tenth (10th) day subsequent to the date the applicable financial statements are required to be delivered pursuant to Section 5.1 (the "**Cure Right Deadline**"), to use cash from the proceeds of any issuance of Stock of Parent or otherwise receive, as additional paid in capital or cash contributions from its equity holders, in either case, in an aggregate amount necessary to cure the relevant financial covenant (the "**Cure Amount**"). Upon the actual receipt by Parent of the cash proceeds thereof and upon written notice to Agent, Parent, on behalf of Borrower, shall immediately transfer such proceeds to a separate segregated account held by Agent to be used, at Borrower's sole discretion, (i) in an amount equal to the Cure Amount to be held by Agent in a separate interest reserve ("**Interest Reserve**") and used in accordance with Section 9.4(c), (ii) in an amount equal to the Cure Amount to apply such proceeds to the Loans in accordance with Section 2.3(h), or (iii) in an amount equal to two times the Cure Amount to reinvest an amount into Borrower's business by applying such proceeds to the cost of any replacement, purchase, or construction with respect to any portion of the Collateral within one hundred eighty (180) days after the initial receipt of such proceeds.

(b) Upon the actual receipt by Borrower of the cash proceeds thereof, the financial covenants shall then be recalculated giving effect to the following pro forma adjustments: (i) Adjusted EBITDA shall be deemed increased by the Cure Amount for the applicable fiscal quarter and, without duplication, for the subsequent three (3) consecutive fiscal quarters, solely for the purpose of measuring the financial covenants and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; (b) any prepayment made pursuant to Section 9.4(a) shall not be given effect for such purpose; and (c) if, after giving effect to the foregoing recalculations, the Loan Parties shall then be in compliance with the requirements of all financial covenants, the Loan Parties shall be deemed to have been in compliance with such financial covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or Event of Default of such financial covenants that had occurred shall be deemed not to have occurred for this purpose of the Agreement. In the event that (i) Borrower shall have delivered to Agent written notice of its intention to exercise the Cure

Right (which notice shall be delivered no earlier than fifteen (15) days prior to, and no later than the fifth (5th) day subsequent to, the date the applicable financial statements are required to be delivered pursuant to Section 5.1), which exercise if fully consummated would be sufficient in accordance with the terms hereof to cause the Loan Parties to be in compliance with the financial covenants as of the relevant date of determination, then until the date, if any, on which any Loan Party notifies Agent in writing that such Cure Right shall not be exercised, Agent shall not exercise any remedies set forth in Section 9.1 hereof; provided that so long as any Event of Default shall be in existence due to failure of the Loan Parties to comply with the financial covenants set forth in Section 7, all rights and remedies available to such parties other than those set forth in Section 9.1 shall be available to such parties.

(c) If Borrower uses the proceeds received under Section 9.4(a) to fund the Interest Reserve, so long as no Default or Event of Default shall have occurred and be continuing, the Interest Reserve shall be disbursed for the payment of interest on the Loan as such interest becomes due and payable in accordance with this Agreement. Upon the occurrence of a Default, Lender shall have no obligation to make any further disbursements from the Interest Reserve and Borrower shall not be entitled to any such disbursements, unless and until such Default is waived by Agent. If the interest payable on the Loans exceeds at any time the Interest Reserve, Borrower shall promptly pay to Agent such amount in excess thereof. Upon the occurrence of a Default, Agent may apply any undisbursed portion of the Interest Reserve against any of the Obligations of Borrower in any manner in Agent's sole discretion.

(d) Notwithstanding the foregoing or anything to the contrary contained herein, this Section 9.4 shall not be applicable until the First Out Payout Date has occurred.

10. TAXES AND EXPENSES.

Upon the occurrence and during the continuance of an Event of Default, to the extent that any Loan Party fails to pay any monies (whether Taxes, assessments, insurance premiums, or, in the case of leased properties or assets, rents or other amounts payable under such leases) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, Agent, in its sole discretion and without prior notice to any Loan Party, may do any or all of the following: (a) make payment of the same or any part thereof, or (b) in the case of the failure to comply with Section 5.7 hereof, obtain and maintain insurance policies of the type described in Section 5.7 and take any reasonable action with respect to such policies as Agent deems prudent. Any such amounts paid by Agent shall constitute Lender Group Expenses and any such payments shall not constitute an agreement by the Lender Group to make similar payments in the future or a waiver by the Lender Group of any Event of Default under this Agreement. Agent need not inquire as to, or contest the validity of, any such expense, Tax, or Lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

11. WAIVERS; INDEMNIFICATION

11.1 Demand; Protest; etc.

Parent and each other Loan Party waives demand, protest, notice of protest, notice of default, acceleration or intent to accelerate, dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which any Loan Party may in any way be liable.

11.2 The Lender Group's Liability for Collateral

Parent and each other Loan Party hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Loan Parties.

11.3 Indemnification

Each Loan Party shall pay, indemnify, defend, and hold Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "**Indemnified Person**") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, brokers or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery incurred in advising, structuring, drafting, reviewing, administering, amending, waiving or otherwise modifying the Loan Documents, to the extent covered by the indemnification rights and obligations under this Section 11.3), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of the Loan Parties' and their Subsidiaries' and Parent's compliance with the terms of the Loan Documents, (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by any Loan Party or any Environmental Actions, Environmental Liabilities and costs or Remedial Actions related in any way to any such assets or properties of any Loan Party or any of its Subsidiaries' (each and all of the foregoing, the "**Indemnified Liabilities**"). The foregoing to the contrary notwithstanding, no Loan Party shall have any obligation to any Indemnified Person under this Section 11.3 with respect to any Indemnified Liability that (x) a court of competent jurisdiction determines pursuant to a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Person or (y) results from a claim brought by Borrower against an Indemnified Person for breach of such Indemnified Person's obligations hereunder or under

any other Loan Document. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which any Loan Party was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Loan Parties with respect thereto.

12. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail (at such email addresses as a party may designate in accordance herewith). In the case of notices or demands to Borrower, Agent or any Lender, as the case may be, they shall be sent to the respective address set forth below:

If to Borrower:	366 Madison Ave., 14th Floor New York, NY 10017 Attn: Corey Sheahan Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]
copy to (which shall not constitute notice):	Foley Hoag LLP Seaport World Trade Center West 155 Seaport Boulevard Boston, Massachusetts 02210-2600 Attn: Thomas B. Draper Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]
If to Agent:	VRT Agent LLC 865 South Figueroa Street, #700 Los Angeles, CA 90017 Attn: Charlie Tashjian Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]
copy to (which shall not constitute notice):	McDermott Will & Emery LLP 2049 Century Park East, Suite 3200, Los Angeles, CA 90067-3206 Attn: Gary Rosenbaum and Michael Rostov Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]

If to Viridescent Realty Trust, Inc., as a Lender:	Viridescent Realty Trust, Inc. 865 South Figueroa Street, #700 Los Angeles, CA 90017 Attn: Charlie Tashjian Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]
copy to (which shall not	McDermott Will & Emery LLP 2049 Century Park East, Suite 3200, Los Angeles, CA 90067-3206
If to 11065220 Canada Inc., as a Lender:	11065220 Canada Inc. 1 Hershey Drive Smith Falls, ON, K7A 0A8 Attention: Christelle Gedeon Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]
copy to (which shall not constitute notice):	Cassels Brock & Blackwell LLP Suite 3200, Bay Adelaide Centre – North Tower 40 Temperance St. Toronto, Ontario, M5h 0B4 Attention: Johnathan Sherman Email: [Omitted pursuant to Item 601(a)(6) of Regulation S-K]

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 12, shall be deemed received on the earlier of the date of actual receipt or three (3) Business Days after the deposit thereof in the mail; provided that (a) notices sent by overnight courier service shall be deemed to have been given the next day and (b) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "**return receipt requested**" function, as available, return email or other written acknowledgment).

13. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR

DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK NOT INCLUDING CONFLICTS OF LAWS RULES.

(b) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PARENT, EACH OTHER LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVES THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "**CLAIM**"). PARENT, EACH OTHER LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) PARENT AND EACH OTHER LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK, SITTING IN THE COUNTY OF WESTCHESTER OR NEW YORK, AT THE REQUIRED LENDER'S DISCRETION, AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST PARENT OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(d) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PARENT, EACH OTHER LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVES ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND PARENT, EACH OTHER LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR

SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

14. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS

14.1 Assignments and Participations

(a) Assignments. Any Lender may, with the consent of Agent and Borrower (provided that, the consent of Borrower (A) shall not be unreasonably withheld or delayed (provided, further, that if such consent is not granted, it shall not be considered unreasonably withheld if the proposed assignment is to a Person who is a direct competitor, or a lender to or an affiliate of a direct competitor, of any Loan Party) and (B) shall not be required if an Event of Default exists or such assignment is to a Permitted Assignee), at any time assign to one or more Persons (other than natural persons) (any such Person, an "**Assignee**") all or any portion of such Lender's Loan. Except as Agent may otherwise agree, any such assignment shall be in a minimum aggregate amount equal to five hundred thousand dollars ($500,000) or, if less, the remaining Loan held by the assigning Lender. The Loan Parties and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Assignee until Agent shall have received and accepted an Assignment and Acceptance.

(i) From and after the date on which the conditions described above have been met, and subject to acceptance and recording of the assignment pursuant to Section 14.1(a)(iii), (i) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender hereunder and (ii) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, shall be released from its rights (other than its indemnification rights) and obligations hereunder.

(ii) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that, no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(iii) Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Borrower, Agent and the Lenders

shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and the Lenders, at any reasonable time and from time to time upon reasonable prior notice.

(b) Any Lender may, at any time sell to one or more Persons (other than natural persons) participating interests in its Loans or other interests hereunder (any such Person, a "**Participant**"). In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder shall remain unchanged for all purposes, (b) Borrower and Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder and (c) all amounts payable by Borrower shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender. No Participant shall have any direct or indirect voting rights hereunder except with respect to any event described in Section 15.1 expressly requiring the vote of such Lender. Each Lender agrees to incorporate the requirements of the preceding sentence into each participation agreement which such Lender enters into with any Participant. Each Lender shall, acting solely for this purpose as an agent of Borrower, maintain at one of its offices a register for the recordation of the names and addresses of each such Participant, and principal amount of and accrued interest on the Loans owing to, such Participant (the "**Participant Register**"); provided that, such Lender shall not have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Loan or its other obligations under any Loan Document) to any Person except to the extent that disclosure is required to establish that such a participation in a Loan or other obligation is held by a Participant who is a non-resident alien individual (within the meaning of Code Section 871) or a foreign corporation (within the meaning of Code Section 881) is in registered form (as described above). The entries in the Participant Register shall be conclusive absent manifest error, and the Lenders shall have the right to treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

14.2 **Successors**

This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided that, no Loan Party may assign this Agreement or any rights or duties hereunder without the Required Lender's prior written consent and any prohibited assignment shall be absolutely void ab initio. No consent to assignment by any Lender shall release any Loan Party from its Obligations.

15. AMENDMENTS; WAIVERS

15.1 Amendments and Waivers

(a) No amendment, waiver, or other modification of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by Agent and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given, provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto do any of the following:

(i) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(ii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (ii)),

(iii) change the Pro Rata Share that is required to take any action hereunder,

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) other than as permitted by Section 16.12, release Agent's Lien in and to all or substantially all of the Collateral,

(vi) amend, modify, or eliminate the definitions of "**Required Lenders**" or "**Pro Rata Share**",

(vii) contractually subordinate any of Agent's Liens,

(viii) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, release any Loan Party from any obligation for the payment of money or consent to the assignment or transfer by any Loan Party of any of its rights or duties under this Agreement or the other Loan Documents,

(ix) amend, modify, or eliminate any of the provisions of Section 2.3(b)(i) or (ii) or Section 2.3(h), or

(x) amend, modify, or eliminate any of the provisions of Section 14.1 with respect to assignments to, or participations with, Persons who are a Loan Party or an Affiliate of a Loan Party.

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate, any provision of Section 16 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Loan Parties, and the Required Lenders.

15.2 **No Waivers; Cumulative Remedies**

No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's or any Lender's rights thereafter to require strict performance by Parent or the other Loan Parties of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

16. AGENT; THE LENDER GROUP

16.1 **Appointment and Authorization of Agent.**

Each Lender hereby designates and appoints VRT AGENT LLC, as its agent under this Agreement and the other Loan Documents and such Lender hereby irrevocably authorizes Agent to execute and deliver each of the other Loan Documents on its behalf, and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of each Lender on the conditions contained in this Section 16. The provisions of this Section 16 are solely for the benefit of Agent and the Lenders, and neither Parent nor any other Loan Party shall have any rights as a third party beneficiary of any of the provisions contained herein. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Loan Document, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "**agent**" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent is expressly entitled to take or assert under or pursuant to this

Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, each Lender agrees that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the payments and proceeds of Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) exclusively receive, apply, and distribute the payments and proceeds of Collateral as provided in the Loan Documents, (d) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes, (e) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent, any other Loan Party, the Obligations, the Collateral, or otherwise related to any of same as provided in the Loan Documents, and (f) incur and pay the Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

16.2 **Delegation of Duties**

Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence, bad faith or willful misconduct.

16.3 **Liability of Agent**

None of Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final and non-appealable judgment), or (b) be responsible in any manner to any Lender for any recital, statement, representation or warranty made by any Loan Party, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Parent or any other Loan Party or any other party to any Loan Document to perform its obligations hereunder or thereunder (other than such filings and other actions as are necessary to perfect and maintain rights in the Collateral). No Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of any Loan Party or any of its Subsidiaries.

16.4 **Reliance by Agent**

Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation

believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any of the Loan Parties or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Required Lenders (or, to the extent required by Section 15.1(a), all Lenders). If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders (except as otherwise required by Section 15.1(a)).

16.5 **Notice of Default or Event of Default**

Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "**notice of default.**" Agent will promptly notify such Lender of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If a Lender obtains actual knowledge of any Event of Default, such Lender shall promptly notify Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 16.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9.1.

16.6 **Credit Decision**

Each Lender acknowledges that none of Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of any Loan Party or its Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to such Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrower. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or

responsibility to provide the Lenders with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any other Person party to a Loan Document that may come into the possession of any of Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender with any credit or other information with respect to any Loan Party, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

16.7 **Costs and Expenses; Indemnification**

Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, reasonable attorney's fees and expenses, fees and expenses of financial accountants, advisors, consultants, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Loan Parties are obligated to reimburse Agent or the Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from the payments or proceeds of the Collateral received by Agent to reimburse Agent for such reasonable and documented out-of-pocket costs and expenses prior to the distribution of any amounts to the Lenders. In the event Agent is not reimbursed for such costs and expenses by any Loan Party, each Lender hereby agrees that it is and shall be obligated to pay for its Pro Rata Share of such costs and expenses. Whether or not the transactions contemplated hereby are consummated, each Lender, on a ratable basis, shall indemnify and defend Agent-Related Persons (to the extent not reimbursed by or on behalf of Loan Parties and without limiting the obligation of Loan Parties to do so) from and against any and all Indemnified Liabilities; provided that, no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final and non-appealable judgment. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for its Pro Rata Share of Agent's costs or out of pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, to the extent that Agent is not reimbursed for such expenses by or on behalf of Loan Parties. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

16.8 **Agent in Individual Capacity**

VRT AGENT LLC and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Stock in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party or its Affiliates and any other Person party to any Loan Documents as though VRT Agent LLC was not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The

other members of the Lender Group acknowledge that, pursuant to such activities, VRT Agent LLC or its Affiliates may receive information regarding any Loan Party or its Affiliates or any other Person party to any Loan Document that is subject to confidentiality obligations in favor of Loan Parties or such other Person and that prohibit the disclosure of such information to the Lenders, and each Lender acknowledges that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them.

16.9 **Successor Agent**

Agent may resign as Agent upon thirty (30) days (ten (10) days if an Event of Default has occurred and is continuing) prior written notice to each Lender (unless such notice is waived by such Lender) and Borrower (unless such notice is waived by Borrower). If Agent resigns under this Agreement, the Required Lenders shall be entitled to appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of such Agent, the Required Lenders shall act as such Agent until they appoint a successor Agent. The Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders (provided that until the First Out Payout Date, VRT must consent to any such removal). In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "**Agent**" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as such Agent shall be terminated. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section 16 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation or removal, the retiring Agent's resignation or removal shall nevertheless thereupon become effective and the Required Lenders shall perform all of the duties of such Agent hereunder until such time, if any, as the Required Lenders appoint a successor Agent as provided for above.

16.10 **Lender in Individual Capacity**

Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Stock in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party or its Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, a Lender and its respective Affiliates may receive information regarding any Loan Party or its Affiliates and any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Loan Parties or such other Person and that prohibit the disclosure of such information to such Lender, and such Lender acknowledges that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

16.11 **Taxes**

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by such Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by Borrower. Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of Agent timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by Borrower. Each Loan Party shall, jointly and severally, indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to such Loan Party by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that a Loan Party has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 14.1(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to such Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to such Lender from any other source against any amount due to Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by a Loan Party to a Governmental Authority pursuant to this Section, Borrower shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Agent, at the time or times reasonably requested by Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, such Lender, if reasonably requested by Borrower or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Borrower or Agent as will enable Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (f)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in such Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to Borrower and Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "**interest**" article of such tax treaty and (y) with respect to

any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "**business profits**" or "**other income**" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "**bank**" within the meaning of Section 881(c)(3)(A) of the IRC, a "10 percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the IRC, or a "**controlled foreign corporation**" related to Borrower as described in Section 881(c)(3)(C) of the IRC (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS Form W-8BEN or IRS Form W 8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W 8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit Borrower or Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section

1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied in all material respects with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "**FATCA**" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, and the repayment, satisfaction or discharge of all obligations under any Loan Document.

16.12 **Collateral Matters**

(a) The Lenders hereby irrevocably authorize Agent to release any Lien on any Collateral (i) upon payment and satisfaction in full by the Loan Parties of all of the Obligations (other than contingent obligations in respect of which no claim has been made), (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if the Loan Parties certify to Agent and each Lender pursuant to Section 16.4 that the sale or disposition is permitted under this Agreement (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which the Loan Parties did not own any interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased or licensed to any Loan Party under a lease or license that has expired or is terminated in a transaction permitted under this Agreement, or (v) in connection with a credit bid or purchase authorized under this Section 16.12. The Loan Parties and the Lenders hereby irrevocably authorize Agent, upon the instruction of the Required Lenders, to (a) consent to the sale of, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the *Bankruptcy Code*, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent and the Required Lenders in accordance with Applicable Law in any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such contingent or unliquidated claims cannot be estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the Collateral that is the subject of such credit bid or purchase) and the Lenders whose obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the Collateral that is the subject of such credit bid or purchase (or in the Stock of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by such any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration. Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of the Required

Lenders. Upon request by Agent or the Loan Parties at any time, each Lender will confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 16.12; provided that (1) anything to the contrary contained in any of the Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly released) upon (or obligations of the Loan Parties in respect of) any and all interests retained by any Loan Party, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(b) Agent shall have no obligation whatsoever to any Lender (i) to verify or assure that the Collateral exists or is owned by any Loan Party or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (iv) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral in its capacity as a Lender and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise expressly provided herein.

16.13 **Erroneous Payment**

(a) If Agent (x) notifies the Lenders, any member of the Lender Group or any Person who has received funds on behalf of the Lenders or the Lender Group (any such Lender, member of the Lender Group or other recipient (and each of their respective successors and assigns), a "**Payment Recipient**") that Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from Agent) received by such Payment Recipient from Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, member of the Lender Group or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of Agent pending its return or repayment as contemplated below in this Section 16.13 and held in trust

for the benefit of Agent, and the Lenders or member of the Lender Group shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter (or such later date as Agent may, in its sole discretion, specify in writing), return to Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received). A notice of Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), the Lenders, any member of the Lender Group or any Person who has received funds on behalf of the Lenders or any member of the Lender Group (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by Agent (or any of its Affiliates), or (z) that the Lenders, any member of the Lender Group or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) the Lenders and any member of the Lender Group shall use commercially reasonable efforts to (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying Agent pursuant to this Section 16.13(b).

For the avoidance of doubt, the failure to deliver a notice to Agent pursuant to this Section 16.13(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 16.13(a) or on whether or not an Erroneous Payment has been made.

(c) The Lenders and any member of the Lender Group hereby authorizes Agent to set off, net and apply any and all amounts at any time owing to the Lenders or member of the Lender Group under any Loan Document, or otherwise payable or distributable by Agent to the Lenders or member of the Lender Group under any Loan Document with respect to any payment of principal, interest, fees or other

amounts, against any amount that Agent has demanded to be returned under immediately preceding clause (a).

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by for any reason, after demand therefor in accordance with immediately preceding clause (a), from a Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as Agent may specify) (such assignment of the Loans of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by Agent in such instance)), and is hereby (together with Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference as to which Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, (B) Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement which shall survive as to such assigning Lender, (D) Agent and Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment.

(i) Subject to Section 14.1 (but excluding, in all events, any assignment consent or approval requirements (whether from Borrower or otherwise)), Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by a Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such

Loans are then owned by Agent) and (y) may, in the sole discretion of Agent, be reduced by any amount specified by Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of the Lenders or any member of the Lender Group, to the rights and interests of the Lenders or such member of the Lender Group, as the case may be) under the Loan Documents with respect to such amount (the "**Erroneous Payment Subrogation Rights**") (provided that the Loan Parties' Obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by Borrower or any other Loan Party; provided that this Section 16.13 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of Borrower relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by Agent from Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "**discharge for value**" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 16.13 shall survive the resignation or replacement of Agent, any transfer of rights or obligations by, or the replacement of, the Lender, and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

16.14 **Agency for Perfection**

Agent hereby appoints each Lender as its agent (and such Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify

Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

16.15 **Payments by Agent to the Lenders**

All payments to be made by Agent to any Lender shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

16.16 **Concerning the Collateral and Related Loan Documents**

Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

16.17 **Several Obligations; No Liability**

Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 16.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to Parent, any other Loan Party or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for it or on its behalf, nor to take any other action on its behalf hereunder or in connection with the financing contemplated herein.

17. GENERAL PROVISIONS

17.1 **Effectiveness**

This Agreement shall be binding and deemed effective when executed by Parent, the other Loan Parties, Agent, and each Lender whose signature is provided for on the signature pages hereof.

17.2 **Section Headings**

Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 **Interpretation**

Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 **Severability of Provisions**

Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 **Counterparts; Electronic Execution**

This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by electronic mail or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by electronic mail or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document mutatis mutandis.

17.6 **Revival and Reinstatement of Obligations; Certain Waivers**

If any member of the Lender Group repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "**Voidable Transfer**"), or because such member of the Lender Group elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in

full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party in respect of such liability or any Collateral securing such liability.

17.7 **Confidentiality**

(a) Agent and each Lender each individually (and not jointly or jointly and severally) agree that material, non-public information regarding the Loan Parties, their operations, assets, and existing and contemplated business plans shall be treated by Agent and such Lender in a confidential manner, and shall not be disclosed by Agent or such Lender to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the "**Lender Group Representatives**") on a "**need to know**" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group and provided that, any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.7, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule or regulation, (v) as may be agreed to in advance in writing by any Loan Party, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or any Lender or the Lender Group Representative), (viii) in connection with any assignment, participation or pledge of a Lender's interest under this Agreement; provided that, such party is subject to confidentiality obligations no less protective of Borrower as those contained herein in connection therewith, (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents, and (x) in connection with the exercise of any secured creditor remedy under this Agreement or any other Loan Documents.

(b) Anything in this Agreement to the contrary notwithstanding, Agent may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of Borrower or the other Loan Parties and the Loans provided hereunder in any "**tombstone**" or other advertisements, on its website or in other marketing materials of Agent.

17.8 **Debtor-Creditor Relationship**

The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to Parent or any other Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and Parent or the other Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.9 **Public Disclosure**

Each party hereto agrees that it will not disclose any non-public information regarding any other party hereto or issue any press release or other public disclosure using the name of any other party hereto or any of their respective Affiliates or referring to this Agreement or any other Loan Document or any of the terms or provisions hereof or thereof without the prior written consent of Agent, Lenders and Borrower, except (i) to the extent that a party hereto is required to do so under Applicable Law (in which event, such party will consult with Agent, Lenders or Borrower, as applicable before issuing such press release or other public disclosure to the extent permitted by Applicable Law), (ii) to attorneys for and other advisors, accountants, auditors, and consultants to any member of such party and to employees, directors and officers of any member of such party on a "**need to know**" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (iii) to Subsidiaries and Affiliates of any party hereto and provided that, any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iv) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (v) as may be required by statute, decision, or judicial or administrative order, rule or regulation, (vi) as may be agreed to in advance in writing by Agent, Lenders and Borrower, (vii) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (viii) as to any such information that is or becomes generally available to the public (other than as a result of any disclosure prohibited by this section) and (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents. For the avoidance of doubt, this Section 17.9 or any other provision of this Agreement or the other Loan Documents shall not prohibit any member of the Lender Group from using any information disclosed to the Lender Group under Section 5.1 or otherwise under this Agreement in any reporting requirements under the *Exchange Act* with the Securities and Exchange Commission, any Governmental Authority succeeding to any or all of the functions of the Securities and Exchange Commission or with any national securities exchange, or distributed to its shareholders, as the case may be.

17.10 **Survival**

All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loan, regardless of any investigation made by any such other party or on its behalf and

notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid (other than contingent obligations in respect of which no claim has been made).

17.11 **PATRIOT Act**

Each Lender that is subject to the requirements of the *Patriot Act* hereby notifies Loan Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies Loan Parties, which information includes the name and address of Loan Parties and other information that will allow such Lender to identify Loan Parties in accordance with the *Patriot Act*.

17.12 **Integration**

This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

17.13 **Joint and Several**

The obligations of the Loan Parties hereunder and under the other Loan Documents are joint and several.

17.14 **Acknowledgment and Consent to Bail-In of EEA Financial Institutions**

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

17.15 **Schedules**

Information furnished in any particular schedule attached hereto or any subsection thereof shall be deemed to have been disclosed with respect to every other schedule attached hereto or any subsection thereof to the extent the relevance of such information to other schedules or subsections thereof is readily apparent regardless of whether a specific cross-reference is indicated.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

BORROWER

HIGH STREET CAPITAL PARTNERS, LLC, a Delaware limited liability company

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

AGENT:

VRT AGENT LLC, a Delaware limited liability company, as Agent

By: /s/ Dante Domenichelli

Name: Dante Domenichelli

Title: Authorized Signatory

LENDERS:

VIRIDESCENT REALTY TRUST, INC., a Delaware corporation, as a Lender

By: /s/ Dante Domenichelli

Name: Dante Domenichelli

Title: Authorized Signatory

11065220 CANADA INC., a corporation incorporated under the federal laws of Canada, as a Lender

By: /s/ Christelle Gedeon

Name: Christelle Gedeon

Title: Chief Legal Officer

Acknowledged and agreed:

IN WITNESS WHEREOF, the parties hereto have caused this amended and restated credit agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

PARENT:

ACREAGE HOLDINGS, INC.

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Interim Chief Financial Officer

GUARANTORS:

ACREAGE CCF NEW JERSEY, LLC; ACREAGE CHICAGO 1, LLC; ACREAGE CONNECTICUT, LLC; ACREAGE IP HOLDINGS LLC; ACREAGE NEW YORK, LLC; ACREAGE TRANSPORTATION, LLC; GREENLEAF APOTHECARIES, LLC; GREENLEAF GARDENS, LLC; GREENLEAF THERAPEUTICS, LLC; HSC SOLUTIONS, LLC; IN GROWN FARMS, LLC; IN GROWN FARMS, LLC 2; NCC LLC; NPG, LLC; PRIME WELLNESS OF CONNECTICUT, LLC; PRIME WELLNESS OF PENNSYLVANIA, LLC; THE BOTANIST, INC.; ACREAGE CALIFORNIA HOLDING COMPANY, LLC; ACREAGE FINANCE DELAWARE, LLC; ACREAGE MASSACHUSETTS, LLC; HSCP SERVICE COMPANY HOLDINGS, INC.; HSCP SERVICE COMPANY, LLC; ACREAGE GEORGIA LLC; MA RMD SVCS, LLC; ACREAGE MICHIGAN, LLC; ACREAGE MICHIGAN 1, LLC; ACREAGE MICHIGAN 2, LLC; ACREAGE MICHIGAN 3, LLC; ACREAGE MICHIGAN 4, LLC; PRIME ALTERNATIVE TREATMENT CENTER CONSULTING, LLC; ACREAGE RELIEF HOLDINGS OK, LLC; 22ND AND BURN INC.; HSCP OREGON, LLC; and THE FIRESTATION 23, INC.

By: **HIGH STREET CAPITAL PARTNERS, LLC**,
a Delaware limited liability company

their: Sole Member

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

IN WITNESS WHEREOF, the parties hereto have caused this amended and restated credit agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

GUARANTORS:

ACREAGE IP CONNECTICUT, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

D&B WELLNESS, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

THAMES VALLEY APOTHECARY, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

HSCP HOLDING CORPORATION

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

NYCANNA, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

THE WELLNESS & PAIN MANAGEMENT CONNECTION, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

IN WITNESS WHEREOF, the parties hereto have caused this amended and restated credit agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

GUARANTORS:

NCC REAL ESTATE, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE ILLINOIS 1, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE ILLINOIS 2, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE ILLINOIS 3, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE IP NEW YORK, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE IP OHIO, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE IP PENNSYLVANIA, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE IP NEW JERSEY, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

IN WITNESS WHEREOF, the parties hereto have caused this amended and restated credit agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

GUARANTORS:

ACREAGE HOLDINGS AMERICA, INC.

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE HOLDINGS WC, INC.

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE CONN. CBD, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE IP CALIFORNIA, LLC

By: /s/ Philip Himmelstein
Name: Philip Himmelstein
Title: Vice President & Treasurer

ACREAGE ILLINOIS HOLDING COMPANY, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

IOWA RELIEF, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

ACREAGE IP NEVADA, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

ACREAGE IP MAINE, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

IN WITNESS WHEREOF, the parties hereto have caused this amended and restated credit agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

GUARANTORS:

HIGH STREET CAPITAL PARTNERS MANAGEMENT, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

ACREAGE IP NEW JERSEY, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

ACREAGE IP MASSACHUSETTS, LLC

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

EAST 11TH, INCORPORATED

By: /s/ Philip Himmelstein

Name: Philip Himmelstein

Title: Vice President & Treasurer

FORM FACTORY HOLDINGS, LLC

THE UNITS TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN 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. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

SUBSCRIPTION AGREEMENT
(CANADIAN & OFFSHORE PURCHASERS)

TO: **ACREAGE HOLDINGS, INC. (the "Company")**
AND TO: **ATB SECURITIES INC. (the "Agent")**

The undersigned (the "**Purchaser**"), on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder as trustee or agent (a "**Beneficial Purchaser**"), hereby irrevocably subscribes for and agrees to purchase the number units (each a "**Unit**") of the Company set out below, at a subscription price of US$833.33 per Unit. Each Unit consists of (i) US$1,000 principal amount of non-recourse unsecured convertible notes (a "**Note**"), and (ii) such number of share purchase warrants of the Company (each, a "**Warrant**") calculated in accordance with Section 1 hereof, in each case subject to adjustment. Each Warrant shall entitle the holder thereof to subscribe for and purchase one Fixed Share (as defined herein) (each, a "**Warrant Share**") at the Exercise Price (as defined herein) at any time and from time to time following the completion of the Transaction (as defined herein) until 5:00 p.m. (Toronto time) on the date that is 60 months from the date of issuance of the Units (the "**Expiry Date**").

If the Transaction occurs prior to the Maturity Date (as defined herein): (i) the outstanding principal amount of the Notes will be deemed to be automatically converted, without any action on the part of the holder thereof, into Fixed Shares (the "**Conversion Shares**") at the Conversion Price (as defined herein) immediately prior to the completion of the Transaction (an "**Automatic Conversion**"); and (ii) each outstanding Warrant shall be adjusted in accordance with the terms of the Transaction.

The Purchaser agrees to be bound by the terms and conditions set forth in the attached "**Terms and Conditions of Subscription**" including without limitation the representations, warranties and covenants set forth in the Schedules attached thereto. The Purchaser further agrees, without limitation, that the Company and the Agent may rely on the Purchaser's representations, warranties and covenants contained in such documents.

Aggregate Purchase Price of Units (Number of Units x $US833.33):	US$_____
Number of Units (Aggregate Purchase Price ÷ US$833.33):	_____

DATED this day of , 2024.

Name and Address of Purchaser

(Name of Purchaser - please print)	(Purchaser's Address)
by: _____ Authorized Signature	(Purchaser's Address)
(Official Capacity or Title - please print)	(Telephone Number)
(Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.)	(Facsimile Number)

Details of the Beneficial Purchaser, if any, for whom the undersigned is contracting:

(Name of Beneficial Purchaser - please print)	(Beneficial Purchaser's Address)
(if space is inadequate please attach a schedule containing the necessary information)	

Registration Instructions:

Name
Account reference, if applicable
Address

Delivery Instructions:

Account reference, if applicable
Contact Name
Address
Telephone Number & Facsimile Number

Number and kind of securities of the Company presently held, directly or indirectly, if any:

State whether Purchaser is a "related party" (as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) of the Company:

Yes No

State whether Purchaser is a "registrant" (as defined under applicable Securities Laws):

Yes No

State whether Purchaser is an "insider" (as defined under applicable Securities Laws) of the Company:

Yes No

A completed and executed copy of this Subscription Agreement, including all applicable Schedules hereto, must be delivered electronically to ATB Securities Inc. at [-], and payment of the aggregate Purchase Price to the Company's counsel, DLA Piper (Canada) LLP, in trust, in accordance with the wire instructions set out in Schedule D hereto, in each case by no later than 4:00 p.m. (Toronto Time) on June 4, 2024.

ACCEPTANCE

The foregoing is acknowledged, accepted and agreed to this day of _____, 2024.

ACREAGE HOLDINGS, INC.

Per: _____
Authorized Signing Officer

TERMS AND CONDITIONS OF SUBSCRIPTION

1. Subscription.

The Purchaser, on its own behalf, or, if applicable, on behalf of each Beneficial Purchaser, hereby tenders to the Company this Subscription Agreement which, upon acceptance by the Company, will constitute an irrevocable agreement of the Purchaser to purchase from the Company and, of the Company to issue and sell to the Purchaser, the number of Units set out on the face page of this Subscription Agreement (the "**Purchased Securities**") for the Purchase Price, all on the terms and subject to the conditions set out in this Subscription Agreement.

Each Unit shall consist of (i) US$1,000 principal amount of a Note, and (ii) such number of Warrants calculated in accordance with this Section 1.

If the Transaction occurs prior to the Maturity Date, the outstanding principal amount of the Notes will be deemed to be automatically converted, without any action on the part of the holder thereof, into Conversion Shares at the Conversion Price immediately prior to the completion of the Transaction. Upon the issuance of the Conversion Shares in accordance with the terms of the Notes, all obligations of the Company, under, pursuant to, or otherwise in connection with the Notes, direct, indirect, contingent or otherwise, shall immediately and automatically be considered satisfied in full and the Notes shall be considered terminated without the requirement for any further action by, or notice to, any person.

If the Transaction has not closed by the Maturity Date, and provided that the transfer of the Notes has been completed upon the exercise of the Put Right in accordance with the terms of the Put Agreement, on the 30th day following the Maturity Date, the Notes shall thereafter represent an unsecured payment obligation of the principal amount of the Notes by Company. In the event that the Transaction has not closed on or prior to the Maturity Date, and the Put Right has not been exercised, the Notes shall represent a right to receive an indeterminate number of Fixed Shares so long as the Put Right remains unexercised. Prior to the exercise of the Put Right and the transfer of the Notes in accordance with the terms of the Put Agreement, nothing is intended to create, nor shall it be construed as creating, a payment obligation of the Company in respect of the Notes.

The number of Warrants will only be determinable on the date of the Transaction, which number shall be the quotient obtained by dividing the aggregate Purchase Price by the Exercise Price, subject to adjustment in certain circumstances. Each Warrant shall entitle the holder thereof to subscribe for and purchase one Warrant Share at the Exercise Price at any time following the date of the Transaction and from time to time until 5:00 p.m. (Toronto time) on the Expiry Date, subject to adjustment in certain circumstances.

Notwithstanding anything to the contrary contained herein, if the Transaction occurs prior to the Maturity Date, each outstanding Warrant shall be adjusted in accordance with the terms of the Transaction.

The Notes and the Warrants will be created and issued pursuant to the terms of certificates representing the Notes and the Warrants, respectively, to be delivered by the Company on the Closing Date in accordance with the instructions from the Purchaser set out in this Subscription Agreement.

The Purchaser acknowledges and agrees (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser) that the Units subscribed for by it hereunder form part of a larger brokered offering of an aggregate of 12,000 Units (the "**Offering**").

2. Agency Relationship.

The Purchaser acknowledges (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser) that the Agent has been engaged by the Company to act as agent to the Company in connection with the Offering. The Agent has agreed to endeavour to arrange for the sale of the Units to purchaser(s) resident outside of Canada where the Units may be lawfully sold and as agreed to by the Company and the Agent.

The Purchaser and each Beneficial Purchaser, if any, acknowledge and agree that the Agent will have the benefit of all of the representations and warranties provided by, to or for the benefit of the Purchaser and Beneficial Purchaser under this Subscription Agreement.

3. Definitions.

In this Subscription Agreement, unless the context otherwise requires:

(a) "**affiliate**", "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(b) "**Annual Report**" means the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2023;

(c) "**Automatic Conversion**" has the meaning ascribed to such term on the face page of this Subscription Agreement;

(d) "**Beneficial Purchaser**" has the meaning ascribed to such term on the face page of this Subscription Agreement;

(e) "**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario or New York, New York;

(f) "**Canadian Securities Laws**" means collectively, the applicable securities laws of each of the Designated Jurisdictions, their respective regulations, rulings, rules, orders (including blanket orders and discretionary orders), instruments (including national and multilateral instruments), fee schedules and prescribed forms thereunder, the applicable policy statements issued by the Securities Commissions or similar authority thereunder and the rules and policies of the CSE;

(g) "**Canopy**" means Canopy Growth Corporation, a corporation organized under the federal laws of Canada;

(h) "**Canopy Consent**" means that certain consent of Canopy to the transactions contemplated by this Agreement;

(i) "**Canopy Shares**" means common shares in the capital of Canopy;

(j) "**Canopy USA**" means Canopy USA, LLC, a limited liability company existing under the laws of State of Delaware;

(k) "**Closing**" means the completion of the issue and sale by the Company and the purchase by the Purchasers of the Units pursuant to the Offering;

(l) "**Closing Date**" means June 4, 2024 or such other date as the Company and the Agent may agree;

(m) "**Closing Time**" means 8:00 a.m. (Toronto Time) on the Closing Date or such other time as the Company and the Agent may agree;

(n) "**Conversion Price**" means the price per Fixed Share that, immediately prior to giving effect to the Transaction, will result in the Purchaser holding that number of Canopy Shares having a value equal to the principal amount of the Note as of the Business Day prior to closing of the Transaction, which shall be the price per Fixed Share determined by multiplying (i) the Exchange Ratio (as such term is defined in the Fixed Share Arrangement Agreement) as the same shall be adjusted pursuant to the Fixed Share Arrangement by, (ii) the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the Canopy Shares on the Business Day

prior to the closing of the Transaction after giving effect to the conversion of the Notes and the determination of the number of Warrants issued pursuant to this Offering;

(o) "**Conversion Shares**" means the Fixed Shares issuable upon the conversion of the Notes;

(p) "**Cozen**" means Cozen O'Connor P.C., United States legal counsel to the Company;

(q) "**CSE**" means the Canadian Securities Exchange.

(r) "**Designated Jurisdictions**" means the provinces or territories of Canada in which Purchasers are resident;

(s) "**DLA**" means DLA Piper (Canada) LLP, Canadian legal counsel to the Company;

(t) "**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, security interest, hypothec, deed of trust, defect, tax, right of first refusal or other encumbrance whether created or arising by agreement, statute or otherwise pursuant to any applicable law, attaching to property, interests or rights;

(u) "**Exercise Price**" means the Exchange Ratio (as such term is defined in the Fixed Share Arrangement Agreement) as the same shall be adjusted pursuant to the Fixed Share Arrangement multiplied by the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the Canopy Shares on the Business Day prior to the closing of the Transaction; provided, however, that in the event that the Put Right is exercised, the Exercise Price shall be not less than US$0.375;

(v) "**Expiry Date**" has the meaning ascribed to such term on the face page of this Subscription Agreement;

(w) "**Financial Statements**" means, collectively, the audited consolidated financial statements of the Company as at and for the years ended December 31, 2023 and 2022 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023, including the notes with respect to those financial statements;

(x) "**Fixed Call Option**" has the meaning ascribed to it in Section 11 hereof;

(y) "**Fixed Multiple Shares**" means the Class F multiple voting shares of Acreage, each entitling the holder thereof to 4,300 votes per share at a shareholder meeting of the Company;

(z) "**Fixed Share**" means a Class E subordinate voting share in the capital of the Company as constituted on the date hereof;

(aa) "**Fixed Share Arrangement**" means an arrangement under Section 288 of the *Business Corporations Act* (British Columbia) on the terms and subject to the conditions set out in the Fixed Share Arrangement Agreement, which became effective on September 23, 2020;

(ab) "**Fixed Share Arrangement Agreement**" means the arrangement agreement dated as of April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020, between Canopy and the Company, including the schedules and exhibits thereto, as the same may be further amended, supplemented or restated;

(ac) "**Floating Share**" means a Class D subordinate voting share in the capital of the Company as constituted on the date hereof;

(ad) "**Floating Share Arrangement Agreement**" means the arrangement agreement dated as of October 24, 2022, as amended on March 17, 2013, May 31, 2023, August 31, 2023, October 31,

2023, December 29, 2023, March 29, 2024, April 25, 2024 and May 8, 2024, among Canopy, Canopy USA and the Company, including the schedules and exhibits thereto, as the same may be further amended, supplemented or restated;

(ae) "**Foley**" means Foley Hoag LLP, legal counsel to the Agent;

(af) "**Governmental Authority**" means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

(ag) "**Intellectual Property**" means all domestic and foreign: (i) inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto and all patents, patent applications, patent disclosures and industrial designs, together with all re-issuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) trademarks, service marks, trade dress, trading styles, logos, trade names and business names, domain names, social media handles, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (iii) copyrightable works, copyrights and applications, registrations and renewals in connection therewith; (iv) trade secrets and confidential business information (including ideas, research and development, know-how, formulas, algorithms, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals); (v) computer systems, software, data and related documentation; (vi) right, title and interest as licensee or authorized user of any of the aforementioned intellectual property; and (vii) copies and tangible embodiments thereof in whatever form or medium whether now known or hereafter developed;

(ah) "**International Jurisdiction**" means the jurisdiction of residence of the Purchaser, which for greater certainty, is a country other than Canada or the United States;

(ai) "**Material Adverse Effect**" means any event, fact, change, circumstance, development, occurrence or state of affairs that, individually or in the aggregate with other events, facts, changes, circumstances, developments or occurrences, is or would reasonably be expected to be, materially adverse to the business, operations, assets, properties, capital, prospects, condition (financial or otherwise) or liabilities, whether contractual or otherwise, of the Company and the Subsidiaries, taken as a whole; provided that Material Adverse Effect shall not include an adverse effect resulting from a change: (i) that arises out of a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by the Company to the Agent prior to the date of this Agreement; (ii) that results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States; or (iii) that is a direct result of any matter permitted by this Agreement, the Transaction Documents or consented to in writing by the Agent;

(aj) "**Maturity Date**" means the day that is 15 months from the Closing Date.

(ak) "**Note**" has the meaning ascribed to such term on the face page of this Subscription Agreement;

(al) "**Offering**" has the meaning ascribed to such term in Section 1 of this Subscription Agreement;

(am) "**OTCQX**" means the OTCQX Best Market by OTC Markets Group;

(an) "**person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(ao) "**Personal Information**" means any information about an individual and includes information contained in this Subscription Agreement, including the schedules incorporated by reference herein;

(ap) "**Personally Identifiable Information**" means any information that alone or in combination with other information held a person or entity can be used to specifically identify a person including but not limited to a natural person's name, street address, telephone number, e-mail address, photograph, social insurance number, driver's license number, passport number, credit or debit card number or customer or financial account number or any similar information that is treated as "**Personally Identifiable Information**" under any applicable laws;

(aq) "**Public Record**" means, without limitation, the prospectuses, annual information forms, annual reports, proxy circulars, information circulars, offering memoranda, material change reports, press releases, 8-Ks, 6-Ks and any other documents or reports filed by the Company (or its predecessor) with any applicable Canadian securities regulatory authority or with the SEC;

(ar) "**Purchase Price**" has the meaning ascribed to such term on the face page of this Subscription Agreement;

(as) "**Purchased Securities**" has the meaning ascribed to such term in Section 1 of this Subscription Agreement;

(at) "**Purchasers**" means all purchasers of Units;

(a) "**Put Agreement**" means the put agreement among the Holder and Canopy USA dated as of the Closing Date, pursuant to which the Holder has the right, among other things, to require Canopy USA to purchase the Notes and the Warrants from the Holder in certain circumstances, subject to and in accordance with the terms thereof;

(b) "**Put Right**" has the meaning ascribed to it in Section 10(l) hereof;

(c) "**Qualification**" has the meaning ascribed to it in Section 8(c) hereof;

(d) "**Regulation S**" means Regulation S under the U.S. Securities Act;

(e) "**Sanctions**" has the meaning ascribed to it in Section 8(cc) hereof;

(f) "**SEC**" means the United States Securities and Exchange Commission;

(g) "**Securities Commissions**" means, collectively, the applicable securities commission or other securities administrator or regulatory authority in each of the Designated Jurisdictions;

(h) "**Securities Laws**" means, as applicable, the Canadian Securities Laws, the U.S. Securities Laws and the securities legislation of and policies issued by each other Selling Jurisdiction;

(i) "**Selling Jurisdictions**" means such jurisdictions consented to by the Company and the Agent where Units are sold or granted;

(j) "**Stikeman**" means Stikeman Elliott LLP, Canadian legal counsel to the Agent;

(k) "**Subscription Agreement**" means this subscription agreement (including any schedules attached hereto and the Terms and Conditions of Subscription) and any instrument amending this Subscription Agreement; "**hereof**", "**hereto**", "**hereunder**", "**herein**" and similar expressions mean and refer to this Subscription Agreement and not to a particular section, subsection, appendix or schedule and the expression "**section**", "**subsection**", "**appendix**" and "S**chedule**"

followed by a number means and refers to the specified section, subsection, appendix or schedule of this Subscription Agreement;

(l) "**Subsidiaries**" means the material subsidiaries of the Company set out in Schedule C attached hereto and "Subsidiary" means any one of them;

(m) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

(n) "**Taxes**" means any and all present or future taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, sales, value-added, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto;

(o) "**TingleMerrett**" means TingleMerrett LLP, Canadian legal counsel to the Purchaser;

(p) "**Transaction**" means the acquisition by Canopy or Canopy USA of the issued and outstanding Fixed Shares, pursuant to and in accordance with the Fixed Share Arrangement;

(q) "**Transaction Documents**" means, collectively, this Subscription Agreements and the certificates representing the Notes and the Warrants;

(r) "**U.S. Federal Cannabis Law**s" has the meaning ascribed to it in Section 8(q) hereof;

(s) "**U.S. Person**" has the meaning ascribed to it in Rule 902(k) of Regulation S;

(t) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

(u) "**U.S. Securities Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

(v) "**U.S. Securities Laws**" means the U.S. Securities Act, the U.S. Securities Exchange Act,and all rules and regulations promulgated thereunder and the applicable securities (Blue Sky) laws of the states of the United States and all rules and policies of the OTCQX;

(w) "**Unit**" has the meaning ascribed to such term on the face page of this Subscription Agreement;

(x) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(y) "**Warrant**" has the meaning ascribed to such term on the face page of this Subscription Agreement; and

(z) "**Warrant Shares**" means the Fixed Shares issuable upon the exercise of the Warrants.

4. Delivery and Payment.

The Purchaser agrees that the following shall be delivered to the Agent at the address and by the date and time set out on page 2 hereof, or such other time, date or place as the Agent may advise:

(a) a completed and duly signed copy of this Subscription Agreement;

(b) except in the case of a Purchaser that is a U.S. Person, a duly completed and executed copy of the Certificate of Non-Canadian Purchasers (Other than U.S. Purchasers) in the form attached hereto as Schedule A; and

(c) any other documents required by the Securities Laws or that the Company or the Agent may reasonably request.

The Purchaser, and each Beneficial Purchaser, if any, acknowledges and agrees that such documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement and each shall constitute a representation, warranty or covenant of the Purchaser hereunder in favour of the Company and the Agent. The Purchaser and each such Beneficial Purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions, the SEC and/or the CSE in connection with the transactions contemplated hereby. The Purchaser and each such Beneficial Purchaser acknowledges and agrees that this offer and any other documents delivered in connection herewith will be held by the Agent until such time as the conditions set out in this Subscription Agreement are satisfied by the Company or waived by the Purchaser or the Agent on behalf of the Purchaser (in accordance with section 5 hereof).

The Purchaser also agrees that the aggregate Purchase Price payable by the Purchaser shall be delivered to DLA, in trust, in accordance with the wire instructions set out in Schedule D hereto and by the date and time set out on page 2 hereof, or such other time, date or place as the Agent may advise.

5. Closing.

The issuance and sale of the Units pursuant to this Subscription Agreement is expected to be completed electronically on the Closing Date at the Closing Time, or such other date or dates as the Company and the Agent may mutually agree.

If, prior to the Closing Time, the terms and conditions contained in the Subscription Agreement have not been complied with to the satisfaction of the Purchaser or waived by the Purchaser or the Agent on behalf of the Purchaser (in accordance with this section 5), the Agent, the Company and the Purchaser will have no further obligations under this Subscription Agreement (except for any liability for any breach of any term of the Subscription Agreement).

The Subscriber acknowledges that the Notes and the Warrants comprising the Units will be created and issued pursuant to the terms of certificates representing the Notes and the Warrants, respectively, to be delivered by the Company on the Closing Date.

The Agent is hereby appointed as agent and attorney for the Purchaser and the Beneficial Purchaser, if any, to represent the Purchaser and the Beneficial Purchaser, if any, at the Closing for the purpose of all closing matters, deliveries of documents, including without limitation the delivery of the certificates representing the Notes and the Warrants comprising the Units to the Purchasers, and payment of funds to the Company. Without limiting the generality of the foregoing, the Agent is specifically and exclusively authorized:

(a) to extend such time periods and to waive, in whole or in part, any representations, warranties, covenants or conditions for the Purchaser's benefit contained in this Subscription Agreement or any ancillary or related document;

(b) to receive certificates representing the Notes and the Warrants comprising the Units or, if determined appropriate by the Agent, to direct electronic delivery of same;

(c) to execute in the Purchaser's name and on its behalf all closing receipts and required ministerial documents; and

(d) to correct manifest errors or omissions in the information provided by the Purchaser in this Subscription Agreement, the Schedules attached hereto and any other documents or forms delivered by the Purchaser in connection with the transactions contemplated hereby, if any.

The Purchaser will take up, purchase and pay for the Units at the Closing upon acceptance of this offer by the Company and the satisfaction by the Company, or waiver on behalf of the Purchaser by the Agent (to the extent permitted hereby), of the conditions set out in this Subscription Agreement.

6. Conditions of Closing.

The Purchaser acknowledges that the Company's obligation to issue and sell the Units to the Purchaser is subject to, among other things, the following conditions:

(a) the Purchaser or Beneficial Purchaser, if any, executing and returning to the Agent, in accordance with Section 4 hereof, all documents required by the Securities Laws for delivery on behalf of the Purchaser or Beneficial Purchaser, if any, including, without limitation, the applicable documents set out in Section 4 hereof, by no later than the time specified on page 2 hereof;

(b) the fulfilment at or before the Closing Time of each of the conditions of the Closing set out in this Subscription Agreement except those conditions that are waived by the Purchaser or the Agent on behalf of the Purchaser (in accordance with section 5);

(c) the Company having obtained all required regulatory and corporate approvals, and all requisite third-party consents, to permit the completion of the transactions contemplated hereby;

(d) no action or proceeding will be pending or threatened by any person, company, firm, Governmental Authority, regulatory body or agency to enjoin or prohibit the completion of the Offering or the transactions contemplated hereby;

(e) the Company having filed or cause to be filed with the CSE all necessary documents and taken or cause to be taken all necessary steps to ensure that the Company has obtained all necessary approvals for the Conversion Shares to be listed on the CSE subject only to the satisfaction by the Company of such customary and standard post-closing conditions imposed by the CSE in similar circumstances;

(f) the Company accepting this Subscription Agreement;

(g) the offer, issue, sale and delivery of the Units being exempt from the requirements to file a prospectus or deliver an offering memorandum (as defined in applicable Securities Laws, including Ontario Securities Commission Rule 14-501 - *Definitions*) or any similar document under applicable Securities Laws relating to the issue, sale and delivery of the Units, or the Company having received such orders, consents or approvals as may be required to permit such issue, sale and delivery of the Units without the requirement of filing a prospectus or delivering an offering memorandum or any similar document;

(h) the representations and warranties of the Company being true and correct as at the Closing Time; and

(i) the representations and warranties of the Purchaser being true and correct as at the Closing Time.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that as the sale of the Units will not be qualified by a prospectus or registration statement, and as such, the sale is subject to the condition that the Purchaser (or, if applicable, each Beneficial Purchaser) sign and return to the Company all relevant documentation required by the Securities Laws.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the Company will be required to provide to the Securities Commissions a list setting out the identities of the Beneficial Purchasers of the Units. Notwithstanding that the Purchaser may be purchasing Units as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws), the Purchaser agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company or the Agent in order to comply with the foregoing and Securities Laws.

7. Acceptance.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the acceptance of this offer will be conditional upon the issue and sale of the Units to the Purchaser and each Beneficial Purchaser, if any, being exempt from the requirement to file a prospectus or deliver an offering memorandum or any similar document under the Securities Laws and the equivalent provisions of securities laws of any other applicable jurisdiction. The Company will be deemed to have accepted this offer upon the Company's execution of the acceptance form on page 3 of this Subscription Agreement.

If the Offering does not close, the Purchaser and each Beneficial Purchaser, if any, understands that any funds, certified cheques and bank drafts delivered by the Purchaser representing the aggregate Purchase Price for Units will be promptly returned to the Purchaser without interest or deduction.

8. Company's Representations, Warranties and Covenants.

The Company represents, warrants and covenants in favour of the Purchaser and the Agent as follows and acknowledges that each of the Purchaser (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser) and the Agent is relying on such representations, warranties and covenants in connection with the transactions contemplated in, and the entry into by the Purchaser of, this Subscription Agreement:

(a) the Company: (i) has been duly continued and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization, and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct its business as now conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts any business;

(b) each Subsidiary: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company or other legal entity in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct its business as now conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document, except where the failure to do so would not result in a Material Adverse Effect;

(c) the Company has full corporate power, capacity and authority to enter into the Transaction Documents to which it is a party and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof, and the Company has taken all necessary corporate action to authorize the execution, delivery and performance of each of the Transaction Documents to which it is a party and each of the Transaction Documents has been, or will be on the Closing Date, as applicable, duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that the provisions relating to indemnity, contribution, severability and waiver of contribution may be limited under Applicable Law (the "**Qualification**");

(d) the execution and delivery of each of the Transaction Documents and the performance of the transactions contemplated hereby and thereby by the Company (including the issuance, sale and

delivery of the Notes, the issuance, sale and delivery of the Warrants and the issuance, sale and delivery of the Conversion Shares upon conversion of the Notes) do not and will not:

(i) require the consent, approval, authorization, registration, order or qualification of or with any Governmental Authority, stock exchange, Securities Commission, SEC or other third party, except such as have been obtained or such as may be required (and shall be obtained by the Company prior to the Closing Time) under applicable Securities Laws; or

(ii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:

(A) any of the terms, conditions or provisions of the Notice of Articles, Articles or resolutions of the shareholders, directors or any committee of directors of the Company or any Subsidiary; or

(B) any statute, rule, regulation or law applicable to the Company or any Subsidiary, including, without limitation, the applicable Securities Laws, or any judgment, order or decree of any Governmental Authority, stock exchange or court having jurisdiction over the Company; and

(iii) upon obtaining the Canopy Consent, and except as disclosed in the Public Record, result in the breach of, or be in conflict with, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of, or conflict with or default under, and do not affect the rights, duties and obligations of any parties to, any material indenture, agreement or instrument to which the Company or any Subsidiary is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument;

(e) the Notes and the Warrants have been duly created and authorized for issuance and, upon payment of the aggregate Purchase Price therefor, the Notes and the Warrants will be validly issued and outstanding as fully paid securities of the Company. The Company has the corporate power, capacity and authority to issue and sell the Notes and the Warrants and such securities will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Company;

(f) the Conversion Shares have been duly created, authorized, reserved and allotted for issuance, and, upon the due conversion of the Notes, will be duly and validly issued and outstanding as fully paid and non-assessable Fixed Shares of the Company. The Company has the corporate power, capacity and authority to issue the Conversion Shares and, at the time of issuance thereof, the Conversion Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Company;

(g) the Warrant Shares have been duly created, authorized, reserved and allotted for issuance, and, upon the due exercise of the Warrants, any payment of the applicable Exercise Price, will be duly and validly issued and outstanding as fully paid and non-assessable Fixed Shares of the Company. The Company has the corporate power, capacity and authority to issue the Warrant Shares and, at the time of issuance thereof, the Warrant Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Company;

(h) the Company is authorized to issue an unlimited number of Fixed Shares, an unlimited number of Floating Shares and an unlimited number of Fixed Multiple Shares, of which 80,824,907 Fixed Shares, 36,030,165 Floating Shares and 117,600 Fixed Multiple Shares were issued and outstanding as of the date hereof, and all such issued shares are validly issued and outstanding, and

no person, firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares of the Company or any Subsidiary or any other security convertible into or exchangeable for any such shares, or to require the Company or any Subsidiary to purchase, redeem or otherwise acquire any of the outstanding securities of the Company or any Subsidiary, except as disclosed in the Public Record and pursuant to the Offering;

(i) other than the Subsidiaries, or as otherwise described in the Public Record, the Company has no material direct or indirect subsidiaries nor any material investment in any person or any agreement, option or commitment to acquire any such investment. The Subsidiaries are the only subsidiaries of the Company that are material to the Company's business on a consolidated basis, including with respect to the generation of revenues and the ownership of Intellectual Property and permits, authorizations, certifications, consents and orders necessary for the conduct of its business as presently conducted. Except as disclosed in the Public Record, including with respect to High Street Capital Partners, LLC and Acreage Holdings WC, Inc., the Company is the direct or indirect registered and/or beneficial owner of all of the issued and outstanding shares of or interests in each Subsidiary (and such ownership is evidenced by definitive documentation in the possession of the Company or the applicable Subsidiary), and, except as otherwise described in the Public Record, in each case free and clear of all Encumbrances or adverse interests whatsoever, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company or any Subsidiary of any of the shares or other securities of any Subsidiary, except as disclosed in the Public Record;

(j) no proceedings have been taken, instituted or are pending for the dissolution, winding-up or liquidation of the Company, and no approval has been given to commence any such proceedings;

(k) except as disclosed in the Public Record, there are no suits, actions or litigation or arbitration proceedings or governmental proceedings in progress, pending or, to the knowledge of the Company, contemplated or threatened, to which the Company or any Subsidiary is party or to which the property of the Company or any Subsidiary is subject, except where such suit, action or litigation or arbitration proceeding or governmental proceeding would not have a Material Adverse Effect. There is not presently outstanding against the Company or any Subsidiary any material judgment, injunction, rule or order of any court, governmental department, commission, agency or arbitrator. No current director, officer or, to the Company's knowledge, employee of the Company or any of its Subsidiaries has willfully violated 18 U.S.C. §1519 or engaged in spoliation in reasonable anticipation of litigation. Except as disclosed in the Public Record, there has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC or Securities Commission involving the Company, any of its Subsidiaries or any current or former director or officer of the Company or any of its Subsidiaries. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the 1933 Act or the 1934 Act. The Company is not aware of any such action, suit, arbitration or to the knowledge of the Company any investigation, inquiry or other proceeding. Except as disclosed in the Public Record, neither the Company nor any of its Subsidiaries is subject to any order, writ, judgment, injunction, decree, determination or award of any Governmental Entity which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(l) all Taxes due and payable as of the date hereof by the Company and each Subsidiary have been paid or accrued, except where failure to pay such Taxes would not constitute a Material Adverse Effect. All tax returns due, declarations, remittances and filings required to be filed by the Company and each Subsidiary have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate in all material respects and no material fact or facts have been omitted therefrom which would make any of them

misleading except where the failure to file such documents would not constitute an adverse material fact of such Company or any Subsidiary;

(m) except as disclosed in the Public Record, to the knowledge of the Company: (i) there is no material examination of any tax return of the Company or any Subsidiary is currently in progress; and (ii) there are no material issues or disputes outstanding with any governmental entity respecting any Taxes that have been paid, or may be payable, by the Company or any Subsidiary. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Company or any Subsidiary. There are no unpaid Taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company and its Subsidiaries know of no basis for any such claim. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the Internal Revenue Code of 1986, as amended. Other than as would not be, individually or in the aggregate, reasonably expected to have a Material Adverse Effect, with respect to the Company and each of its Subsidiaries, there are no claims being asserted in writing to the Company with respect to any Taxes;

(n) the Financial Statements:

(iv) are, in all material respects, consistent with the books and records of the Company and the Subsidiaries on a consolidated basis for the periods covered thereby;

(v) have been prepared in accordance with applicable Securities Laws and accounting principles generally accepted in the United States of America, applied on a consistent basis throughout the periods referred to therein, except as otherwise disclosed therein;

(vi) present fairly, in all material respects, the financial position and condition of the Company and the Subsidiaries on a consolidated basis as at the dates thereof and the results of its operations and the changes in its shareholder's equity and cash flows for the periods then ended, and do not contain a misrepresentation; and

(vii) to the best of the Company's knowledge, have been audited (in the case of the annual financial statements comprising the Financial Statements) by independent public accountants in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the Public Company Accounting Oversight Board (United States);

(o) the Company is not currently contemplating to amend or restate any of the Financial Statements, nor is the Company currently aware of facts or circumstances which would require the Company to amend or restate any of the Financial Statements, in each case, in order for any of the Financial Statements to be in compliance with accounting principles generally accepted in the United States of America and applicable Securities Laws. The Company has not been informed by its independent public accountants that they recommend that the Company amend or restate any of the Financial Statements or that there is any need for the Company to amend or restate any of the Financial Statements.

(p) the accountants who audited the Financial Statements are independent with respect to the Company within the meaning of applicable Securities Laws and there has not been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Securities Commissions) with the current auditors or any former auditors of the Company during the past two (2) financial years;

(q) as at the date hereof, the Company and each Subsidiary has all licenses, permits, authorizations, certifications, consents and orders necessary for the conduct of its business as presently conducted other than in respect of certain U.S. federal laws, statutes and/or regulations, as applicable, relating to the cultivation, processing, extraction, tracking, distribution or possession of cannabis and

cannabis related products and substances in the U.S. as disclosed in the Public Record and other related orders, judgements, or decrees (collectively, the "**U.S. Federal Cannabis Law**s") and except as disclosed in the Public Record, none of the Company nor any Subsidiary has received any material penalty, enforcement action or public notice violation or notice thereof from any state, municipal or local government in respect of such licenses and/or permits or, to the knowledge of the Company, are there any facts that could give rise to any such material penalty, enforcement action or public notice violation. The Company and each Subsidiary is not in breach or violation of any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Company or any Subsidiary, as applicable;

(r) other than in respect of U.S. Federal Cannabis Laws, the Company and each Subsidiary has conducted and is conducting its business in compliance with all applicable laws of each jurisdiction in which it carries on business and with all applicable laws, tariffs and directives material to its operations, including all applicable federal, state, municipal, and local laws and regulations and other lawful requirements of any governmental or regulatory body that governs all aspects of the Company's and each Subsidiaries' business, including, but not limited to, permits and/or licenses to grow, process, and dispense cannabis and cannabis-derived products and, each of the Company and the Subsidiaries has implemented or, with respect to those Subsidiaries not yet actively engaged in the growth, processing and dispensing of cannabis and cannabis-derived products, is in the process of implementing regulatory compliance regimes designed to ensure compliance with such applicable laws and regulations;

(s) the material contracts of the Company and the Subsidiaries as set forth in the Public Record are the only material documents and contracts currently in effect under and by virtue of which the Company and its Subsidiaries are entitled to the assets and conducts their respective businesses. Each of such material contracts is in full force and effect, the material terms of any amendment thereto is disclosed in the Public Record, and, except as disclosed in the Public Record, there are no outstanding material defaults or breaches under any of such material contracts or is there an intention to terminate such contracts on the part of the Company or any Subsidiary or, to the knowledge of the Company, the counterparties to such contracts;

(t) other than liabilities as disclosed in the Financial Statements or the Public Record, neither the Company nor any Subsidiary is a party to or otherwise bound by any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

(u) except for customary indemnity to its directors and officers, neither the Company nor any Subsidiary is a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment respecting the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation, except as would not, individually or in the aggregate, have a Material Adverse Effect;

(v) the Company and each Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof free and clear of all Encumbrances and defects of title except such as are disclosed in the Public Record, and: (i) no other material property or assets are necessary for the conduct of the business of the Company or any Subsidiary as currently conducted; (ii) the Company has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Company or any Subsidiary to use, transfer or otherwise exploit such property or assets; and (iii) neither the Company nor the Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

(w) except as disclosed in the Public Record, there are no plans for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be

contributed to, by the Company or any of the Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Company or any of the Subsidiaries. Each employee benefit plan that is maintained, administered or contributed to by the Company or any of the Subsidiaries for employees or former employees of the Company or the Subsidiaries has been maintained in compliance in all material respects with its terms and the requirements of any applicable laws, statutes, orders, rules, ordinances, resolutions, constitutions, proclamations, directives, codes, edicts, requirements and regulations and the fair market value of the assets of each such plan (excluding for these purposes accrued but unpaid contributions) exceeds the present value of all benefits accrued under such plan determined using reasonable actuarial assumptions;

(x) no material labour dispute with current and former employees of the Company or any of the Subsidiaries exists or is imminent and the Company has no knowledge of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Company;

(y) there has not been and there is not currently any labour disruption or conflict which is adversely affecting the Company or the Subsidiaries or would have a Material Adverse Effect;

(z) except as disclosed in the Public Record, no officer, consultant, insider or other non-arm's length party to the Company or the Subsidiaries (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on revenue from or otherwise in respect of any assets of the Company or any of the Subsidiaries;

(aa) The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are currently engaged, and such insurance policies will not be cancelled or otherwise terminated as a result of the transactions contemplated herein and there are no pending or outstanding claims, notices of non-renewal or cancellation or, to the knowledge of the Company, any events which may give rise to a claim, under such policies, Neither the Company nor any such Subsidiary has any reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect;

(ab) other than the Canopy Consent, there are no third-party consents required to be obtained by the Company or a Subsidiary in order to complete the transactions contemplated by this Agreement;

(ac) neither the Company nor any Subsidiary nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any Subsidiary has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), the Government of Canada or any other relevant sanctions authority (collectively, "**Sanctions**") imposed upon such person, and neither the Company nor any Subsidiary is in violation of any of the Sanctions or any law or executive order relating thereto, or is conducting business with any person subject to any Sanctions. The Company will not directly or knowingly indirectly use the proceeds from the sale of the Units or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person that is currently the target of any Sanctions or for the purpose of funding, financing or facilitating any activities, business or transaction with or in any country that is the target of the Sanctions, to the extent such activities, businesses or transaction would be prohibited by applicable sanctions laws and regulations administered by the United States of America, including OFAC and the U.S. State Department, the United Nations Security Council, the Government of Canada, HM Treasury, the European Union or relevant Participating Member States of the European Union (collectively, the "**Sanctions Laws**"), or in any manner that would result in the violation of any Sanctions Laws applicable to any party hereto;

(ad) except as disclosed in the Public Record, none of the directors, executive officers or shareholders who beneficially own, directly or indirectly none of the current officers or directors of the Company and, to the knowledge of the Company, none of the Company's shareholders, the officers or directors of any shareholder of the Company, or any family member or Affiliate of any of the foregoing, has either directly or indirectly any interest in, or is a party to, any transaction, in each case, that is required to be disclosed as a related party transaction pursuant to Item 404 of Regulation S-K promulgated under the U.S. Securities Act., or exercise control or direction over, more than 10% of any class or series of the voting securities of the Company or any known associate or affiliate of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Company which, as the case may be, materially affects, is material to or will materially affect the Company and its Subsidiaries on a consolidated basis;

(ae) the Company intends to place the net proceeds of the Offering in a segregated account in its name or the name of High Street Capital Partners, LLC, and to use such net proceeds, or cause such net proceeds to be used, for its working capital and general corporate purposes;

(af) the Company is a reporting issuer not in default under the Canadian Securities Laws of each Designated Jurisdiction where it is a reporting issuer and is not on the list of defaulting issuers maintained by any Securities Commission in the Designated Jurisdiction as at the date hereof;

(ag) the Company is in compliance with its timely and continuous disclosure obligations under the applicable U.S. Securities Laws and Canadian Securities Laws of each of the Designated Jurisdictions and the policies, rules and regulations of the CSE and the OTCQX;

(ah) except as disclosed in the Public Record, no default exists under and no event has occurred which, after notice or lapse of time or both, or otherwise, constitutes a default under or breach of, by the Company, any Subsidiary, or to the Company's knowledge any other person, any material obligation, agreement, covenant or condition contained in any contract, indenture, trust, deed, mortgage, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any Subsidiary is a party or by which it or any of its properties may be bound. No order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Fixed Shares, the Units, the Notes, the Conversion Shares, Warrants or any other security of the Company has been issued or made by any Securities Commission, the SEC or any other stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the best of the Company's knowledge, contemplated or threatened by any such authority or under any applicable Securities Laws;

(ai) except for the Agent as provided herein, there is no person, firm or corporation acting for the Company entitled to any brokerage or finder's fee in connection with the transactions contemplated hereunder;

(aj) the Company has filed all reports, schedules, forms, proxy statements, statements and other documents required to be filed by it with the SEC pursuant to Section 13 of the U.S. Securities Exchange Act and required to be filed on SEDAR+ pursuant to applicable Securities Laws, except to the extent any failure to so file would not have a Material Adverse Effect; there are no material facts required to be disclosed by the Company under applicable Securities Laws which are not contained in the Public Record and each of the documents forming the Public Record filed by or on behalf of the Company with any Securities Commission or the CSE, did not contain a misrepresentation, determined as at the date of filing, and do not contain a misrepresentation as of the date hereof, except to the extent such misrepresentation has been corrected and superseded by the filing of a subsequent document which forms part of the Public Record;

(ak) the Company is a "domestic issuer" (as defined in Rule 902(e) of Regulation S);

(al) this Agreement and the transactions contemplated hereby do not violate any laws, rules or policies of the OTCQX and there are no approvals, consents, or orders required in order to complete the Offering, the listing of the Conversion Shares and the transactions contemplated by this Agreement as a result of the Fixed Shares being quoted on the OTCQX;

(am) the forms and terms of the certificates representing each of the Notes and the Warrants have been approved and adopted by the board of directors of the Company do not and will not conflict with any applicable laws;

(an) Odyssey Trust Company, at its principal offices in Toronto, Ontario has been duly appointed as the registrar and transfer agent for the Fixed Shares;

(ao) the Company and its Subsidiaries, their respective directors and officers, and to the knowledge of the Company or any of its Subsidiaries, their agents or employees, are in compliance in all material respects with the U.S. Foreign Corrupt Practices Act of 1977, the *Corruption of Foreign Public Officials Act* (Canada) or similar law of a jurisdiction in which the Company or any of its Subsidiaries conduct their business and to which they are lawfully subject (the "**Anti-Corruption Laws**");

(ap) neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any of the officers, directors, employees, agents or other any other representatives acting for or on behalf of the Company or any of its Subsidiaries (individually and collectively, a "**Company Affiliate**"), has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, to any officer, employee or any other person acting in an official capacity for any Governmental Authority to any political party or official thereof or to any candidate for political office (individually and collectively, a "**Government Official**") or to any person under circumstances where such Company Affiliate knew or was aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of: (i) (A) influencing any act or decision of such Government Official in his/her official capacity, (B) inducing such Government Official to do or omit to do any act in violation of his/her lawful duty, (C) securing any improper advantage, or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Authority, or (ii) assisting the Company or its Subsidiaries in obtaining or retaining business for or with, or directing business to, the Company or its Subsidiaries;

(aq) neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries or any other business entity or enterprise with which the Company or any Subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its Subsidiaries;

(ar) neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries or any other business entity or enterprise with which the Company or any Subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its Subsidiaries;

(as) except as set forth in the Public Record, the Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the U.S. Securities Exchange

Act and in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) that comply with the requirements of applicable Securities Laws and have been designed by, or under the supervision of, the Company's principal executive and principal financial officer, or Persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. Except as set forth in the Public Record, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the applicable Securities Laws) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the applicable Securities Law is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the applicable Securities Law, as applicable, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the applicable Securities Laws is accumulated and communicated to the Company's management, including its principal/chief executive officer or officers and its principal/chief financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure. Except as set forth in the Public Record, neither the Company nor any of its Subsidiaries has received any notice or correspondence from any accountant or Governmental Authority relating to any potential material weakness or significant deficiency in any part of the internal control over financial reporting of the Company or any of its Subsidiaries;

(at) neither the Company nor any of its Subsidiaries is required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(au) there is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its filings, if any, pursuant to Securities Laws and is not so disclosed or that otherwise could be reasonably likely to have a Material Adverse Effect;

(av) neither the Company nor any of its Subsidiaries has, and, to the knowledge of the Company, no Person acting on their behalf has, directly or indirectly, (i) taken any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities (other than the Agent), or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company or any of its Subsidiaries;

(aw) on the Closing Date, all stock transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance, sale and transfer of the Units, the Notes and the Warrants hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with in all material respects;

(ax) the Company and, to the extent applicable, each Subsidiary have security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. To the knowledge of the Company, the Company and its Subsidiaries (i) comply in all material respects with all applicable privacy laws and regulations and contractual obligations regarding the collection, processing, disclosure and use of all data consisting of personally identifiable information that is, or is capable of being, associated with specific individuals; and (ii) comply in

all material respects with the Company's privacy policies with respect to personally identifiable information. To the knowledge of the Company, no Person has made a claim that the Company or its Subsidiaries have violated any applicable law or any contractual obligations regarding the collection, processing, disclosure and use of all data consisting of personally identifiable information;

(a) assuming the accuracy of the Purchaser's representations in Section 9, the offer, issuance and sale of the Units to the Purchaser is exempt from the registration and prospectus delivery requirements of the U.S. Securities Act and the rules and regulations promulgated thereunder; neither the Company nor any affiliate (as defined in Rule 501(b) of Regulation D under the U.S. Securities Act) of the Company has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the U.S. Securities Act) which is or will be integrated with the sale of the Units in a manner that would require the registration under the U.S. Securities Act of the Units, (ii) offered, solicited offers to buy or sold the Units by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or (iii) offered, solicited offers to buy or sold the Units in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

(b) the Company and each of its Subsidiaries is in compliance in all material respects with any and all applicable requirements of the Sarbanes-Oxley Act of 2002, as amended, that are effective and applicable to the Company as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective and applicable to the Company as of the date hereof;

(c) neither the Company, its Subsidiaries nor any of their affiliates, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Units to require approval of shareholders of the Company under any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of the CSE or OTCQX or any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company, its Subsidiaries, their affiliates nor any Person acting on their behalf will take any action or steps that would cause the offering of any of the Units to be integrated with other offerings of securities of the Company;

(d) the Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to this Agreement and the transactions contemplated hereby and that the Purchaser is not (i) an officer or director of the Company or any of its Subsidiaries, (ii) to the knowledge of the Company, an "affiliate" (as defined in Rule 144 promulgated under the U.S. Securities Act (or a successor rule thereto) (collectively, "Rule 144")) of the Company or any of its Subsidiaries, or (iii) to the knowledge of the Company, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the U.S. Securities Exchange Act) of more than 10% of the issued and outstanding securities registered under Section 12 of the U.S. Securities Exchange Act. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby, and any advice given by the Purchaser or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to the Purchaser's purchase of the Units. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement has been based solely on the independent evaluation by the Company and its representatives;

(e) the Company and its Subsidiaries are in compliance with all applicable statutes, laws or regulations relating to the environment or occupational health and safety ("**Environmental Laws**"), except to the extent any violation of such laws would not have a Material Adverse Effect and, except as may otherwise be disclosed in the Public Record, to the Company's knowledge, no material expenditures are or will be required in order to comply with any such existing statute, law

or regulation. There is no existing or, to the Company's knowledge, threatened administrative, regulatory or judicial action, claim or notice of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any Subsidiary, except as would not, individually or in the aggregate, have a Material Adverse Effect;

(f) except as disclosed in the Public Record, since April 1, 2023, there has been no event or circumstance that, individually or in the aggregate with other events or circumstances, has had or would reasonably be expected to have a Material Adverse Effect;

(g) except as disclosed in the Public Record, each lease to which the Company or its Subsidiaries are a party (collectively the "**Leases**" and each a "**Lease**"), is in good standing, in all material respects, creates a good and valid leasehold interest in the lands and premises thereby demised and is in full force and effect. With respect to each Lease, except as would not reasonably be expected to have a Material Adverse Effect: (i) all rents and additional rents, to the extent due and payable, have been paid to date; (ii) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor; (iii) to the knowledge of the Company, there exists no event of default or event, occurrence, condition or act (including this Offering) which, with the giving of notice, the lapse of time or both, would become a default under the Lease; and (iv) to the knowledge of the Company, all of the covenants to be performed by any other party under each Lease have been fully performed in all material respects;

(h) except as set forth in the Public Record or as otherwise disclosed to the Agent and except for U.S. Federal Cannabis Laws, the Company is not aware of any applicable law, licensing or legislation, regulation or governmental position, by law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company or any Subsidiary presently in force or any publicly disseminated or announced pending or threatened change to any licensing or legislation, regulation, by law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company or any Subsidiary presently in force, that would cause the Company or any Subsidiary to be unable to materially comply with or which could reasonably be expected to have a Material Adverse Effect on the business of the Company or any Subsidiary or the business environment or legal environment under which such entity operates; and

(i) except as set forth in the Public Record or as otherwise disclosed to the Agent, other than in the ordinary course of business, the Company and the Subsidiaries have not received any material written notice or communication from any customer or any applicable regulatory authority alleging a defect or claim in respect of any products supplied or sold by the Company or the Subsidiary to a customer and, to the Company's knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications required to be made by the Company or any Subsidiary in respect of any products supplied or sold by the Company or any Subsidiary.

9. <u>Purchaser's Representations, Warranties and Covenants</u>.

The Purchaser represents, warrants and covenants in favour of the Company and the Agent as follows and acknowledges that each of the Company and the Agent is relying on such representations, warranties and covenants in connection with the transactions contemplated in, and the entry into by the Company of, this Subscription Agreement:

(a) **Authorization and Effectiveness**. If the Purchaser (or the Beneficial Purchaser) is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder, or if the Purchaser (or the Beneficial Purchaser) is a corporation, the Purchaser (or the Beneficial Purchaser) is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect

thereof, or, if the Purchaser (or the Beneficial Purchaser) is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe and pay for the Purchased Securities and to observe and perform its covenants and obligations hereunder to complete the transactions contemplated by this Subscription Agreement, and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Purchaser and the Beneficial Purchaser, if any, enforceable against the Purchaser and the Beneficial Purchaser in accordance with its terms and will not result in a violation of, or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of, any of the Purchaser's or the Beneficial Purchaser's, if any, constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Purchaser or the Beneficial Purchaser, if any, is a party or by which it is bound or any law applicable to the Purchaser or the Beneficial Purchaser, if any, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser or the Beneficial Purchaser, if any.

(b) **Residence**. The Purchaser, and each Beneficial Purchaser, if any, was offered the Units in, and is a resident of, the jurisdiction referred to under *"Name and Address of Purchaser"* and *"Details of Beneficial Purchaser"*, respectively, set out on the face page and page 2 hereof and intends that the Securities Laws of that jurisdiction govern any transactions involving the Purchased Securities subscribed for by the Purchaser or each Beneficial Purchaser, if any and that such addresses were not created and are not used solely for the purpose of acquiring the Purchased Securities. The purchase and sale of the Purchased Securities to the Purchaser, and any act, solicitation, conduct or negotiation, directly or indirectly, in furtherance of such purchase and sale has occurred only in such jurisdiction.

(c) **Prospectus Exemptions.** The Purchaser has properly completed, executed and delivered to the Company the applicable questionnaire(s) and certificate(s) (dated as of the date hereof) set forth in Schedule A attached hereto in accordance with Section 4 hereof and the information contained therein is true and correct and the representations, warranties and covenants contained in the Schedule attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time.

(d) **Purchasing as Principal**. Unless paragraph (g) below applies, the Purchaser is purchasing the Purchased Securities as principal (as defined in all applicable Securities Laws) for its own account, and not for the benefit of any other person.

(e) **Purchasing for Investment Only**. The Purchaser is purchasing the Purchased Securities for investment only and not with a view to resale or distribution.

(f) **Purchasing as Agent or Trustee**.

(i) In the case of the purchase by the Purchaser of the Purchased Securities as agent or trustee for any principal whose identity is disclosed or identified, each Beneficial Purchaser of the Units for whom the Purchaser is acting, is purchasing its Purchased Securities (1) as principal (as defined in all applicable Securities Laws) for its own account and not for the benefit of any other person; and (2) for investment only and not with a view to resale or distribution;

(ii) in the case of the purchase by the Purchaser of the Purchased Securities as agent or trustee for any principal, the Purchaser is the duly authorized trustee or agent of such disclosed Beneficial Purchaser with due and proper power and authority to execute and deliver, on behalf of each such Beneficial Purchaser, this Subscription Agreement and all other documentation in connection with the purchase of the Purchased Securities hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such Beneficial Purchaser were the Purchaser and the Purchaser's

actions as trustee or agent are in compliance with applicable law and the Purchaser and each Beneficial Purchaser acknowledges that the Company is required by law to disclose to certain regulatory authorities the identity of each Beneficial Purchaser of Units for whom it may be acting; and

(iii) in the case of the purchase by the Purchaser of the Purchased Securities on behalf of an undisclosed Beneficial Purchaser, the Purchaser is deemed under applicable Securities Laws to be purchasing as principal and is purchasing the Units as an "accredited investor".

(g) **Broker**. Other than the Agent, there is no person acting or purporting to act on behalf of the Purchaser in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee payable in connection with this subscription for the Units, and if any such person establishes a claim that any such fee or compensation is payable in connection with this subscription for the Units, the Purchaser covenants to indemnify and hold harmless the Company and the Agent with respect thereto and with respect to all costs reasonably incurred in the defence thereof.

(h) **Illegal Use of Funds**. None of the funds being used to purchase the Purchased Securities are to the Purchaser's or the Beneficial Purchaser's, if any, knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchased Securities which will be advanced by the Purchaser to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering)* and *Terrorist Financing Act* (Canada) (the "**PCMLTFA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) (the "**Patriot Act**") and the Purchaser acknowledges that the Company and the Agent may in the future be required by law to disclose the Purchaser's name and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA and the Patriot Act. To the best knowledge of the Purchaser, none of the funds to be provided by the Purchaser or each Beneficial Purchaser, if any, are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and the Purchaser shall promptly notify the Company and the Agent if the Purchaser or each Beneficial Purchaser, if any, discovers that any of such representations cease to be true, and shall promptly provide the Company and the Agent with all necessary information in connection therewith.

(i) **Resale Restrictions**. Except as otherwise provided herein, the Purchaser, and each Beneficial Purchaser, if any, acknowledges that it (1) has been advised to consult its own legal advisors with respect to trading in the Notes and Warrants comprising the Units, the Conversion Shares issuable upon conversion of the Notes, and the Warrant Shares issuable upon the exercise of Warrants, and with respect to the resale restrictions imposed by the Securities Laws of the jurisdiction in which the Purchaser or each Beneficial Purchaser, if any, resides and other applicable securities laws, (2) acknowledges that no representation has been made respecting the resale restrictions, including applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Purchaser or each Beneficial Purchaser, if any, to resell such securities, (3) acknowledges that the Purchaser or the Beneficial Purchaser, if any, is solely responsible to determine applicable resale restrictions, (4) is solely responsible (and neither the Company nor the Agent is in any way responsible) for compliance with applicable resale restrictions, and (5) is aware that the Purchaser or each Beneficial Purchaser, if any, may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.

(j) **U.S. Securities Laws**. The Purchaser and each Beneficial Purchaser, if any, acknowledges, understands and agrees that:

(i) it (i) is both a "qualified institutional buyer", as such term is defined in Rule 144A promulgated under the U.S. Securities Act and an "accredited investor" as such term is

defined in Rule 501(a) promulgated under the U.S. Securities Act and (ii) (A) has total assets of at least US$50 million, (B) meets the definition of a "qualified purchaser" as defined under the Investment Company Act of 1940, as amended, or (C) is a registered investment company;

(ii) it, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Units, including the Notes, Conversion Shares, Warrants and Warrant Shares, and has so evaluated the merits and risks of such investment;

(iii) it is knowledgeable about the industries in which the Company operates and is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and arising from the Units, Notes, Conversion Shares, Warrants and Warrant Shares, as applicable, and is able to bear the substantial economic risk of an investment in the Units, Notes, Conversion Shares, Warrants and Warrant Shares, as applicable, for an indefinite period of time and is able to afford a complete loss of such investment;

(iv) it has had the opportunity to review the forms of Note Certificates, Warrant Certificates and the Put Agreement and has been afforded, (i) the opportunity to discuss and ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the Company's business, management, financial affairs and the terms and conditions of such documents and the offering of the Units (including the Notes, Conversion Shares, Warrants, and the Warrant Shares, as applicable) and the merits and risks of investing in the Units; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment;

(v) neither the Company nor any other person acting on its behalf, including, for greater certainty, the Agent, or any of their respective affiliates or representatives has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Company (or its businesses or assets) or the Units, Notes, Conversion Shares, Warrants or Warrant Shares, in each case, except as expressly set forth in this Agreement;

(vi) it is consummating the transactions contemplated by this Agreement without any representation or warranty, express or implied, by any person, except for the representations and warranties of the Company expressly set forth in this Agreement;

(vii) it is relying on its own due diligence, investigation and analysis in entering into the transactions contemplated by this Agreement;

(viii) neither the Agent nor any of its affiliates nor the Agent's legal counsel has provided the Purchaser with any information or advice with respect to the Units nor is such information or advice necessary or desired;

(ix) neither the Agent nor any of its affiliates nor the Agent's legal counsel has made or makes any representation as to the Company or the quality of the Units and the Agent and any of its Affiliates and its legal counsel may have acquired non-material non-public information with respect to the Company which such Purchaser agrees need not be provided to it;

(x) in connection with the issuance of the Units to such Purchaser, neither the Agent nor any of its Affiliates or its legal counsel has acted as a financial advisor or legal advisor or fiduciary to such Purchaser;

(xi) it acknowledges and agrees that the Notes and the Warrants comprising the Units and the Conversion Shares and the Warrant Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, will bear an appropriate U.S. Securities Laws legend to the foregoing effect (except as otherwise set forth herein) and will remain "restricted securities" notwithstanding any resale within or outside the United States unless the sale is completed in accordance with Rule 144 under the U.S. Securities Act ("**Rule 144**"); the Purchaser acknowledges that the Notes and the Warrants comprising the Units and the Conversion Shares and the Warrant Shares will be subject to a minimum hold period of at least six months under Rule 144; the Purchaser acknowledges that it has been advised to obtain independent legal and professional advice on the requirements of Rule 144, and that the Purchaser has been advised that resales of the Notes and the Warrants comprising the Units may be made only under certain circumstances; the Purchaser understands that to the extent Rule 144 is not available, the Purchaser may be unable to sell the Notes and the Warrants comprising the Units without the availability of another exemption or exclusion from such registration requirements, and in all cases pursuant to exemptions from applicable Securities Laws of any applicable state of the United States;

(xii) the Notes comprising the Units will be issued in a certificated form or ownership statement under a direct registration system or other book-entry system or other form of written notice, as determined to be appropriate by the Company in order to comply with applicable U.S. Securities Laws, and the certificates or such other direct registration system statements representing the Notes (and any certificates or direct registration system statements issued in exchange therefor or substitution thereof), will bear a legend substantially in the form of the following legend:

"**THESE SECURITIES HAVE NOT BEEN 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) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**";

(xiii) there is no effective registration statement filed with the SEC covering the offer and sale of the Notes or the Warrants and in the event that as of the exercise of the Notes or the Warrants, as applicable, there is no effective registration statement filed with the SEC covering the offer and sale of the Conversion Shares or the Warrant Shares, respectively, the Conversion Shares and the Warrant Shares shall be issued in a certificated form or such other book-entry form as determined to be appropriate by the Company in order to comply with applicable U.S. Securities Laws and the certificates (or such other book-entry or direct registration system statements, as applicable) representing the Conversion Shares and the Warrant Shares (and any certificates or such other direct registration system statements issued in exchange therefor or substitution thereof), will bear a legend substantially in the form of the following legend:

"**THESE SECURITIES HAVE NOT BEEN 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) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**"; and

(xiv) the Warrants shall be issued in a certificated form or such other book-entry form as determined to be appropriate by the Company in order to comply with applicable U.S. Securities Laws and the certificates (or such other direct registration system statements, as applicable) representing the Warrants (and any certificates or direct registration system statements issued in exchange therefor or substitution thereof), will bear a legend substantially in the form of the following legend:

"**THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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 AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR (2) 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 COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT."**

(k) **Company or Unincorporated Organization**. If the Purchaser, or any Beneficial Purchaser, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Purchaser or such Beneficial Purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption.

(l) **Absence of Prospectus, Offering Memorandum or Similar Document**. The Purchaser and the Beneficial Purchaser, if any, has not received, nor has it requested, nor does it have any need to receive, any prospectus, registration statement, offering memorandum or any other document describing the business and affairs of the Company, nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Units, the Notes, the Warrants, Conversion Shares or the Warrant Shares, other than this Subscription Agreement.

(m) **Absence of Advertising**. The offering and sale of the Purchased Securities to the Purchaser or each Beneficial Purchaser, if any, was not made or solicited through, and the Purchaser and each such Beneficial Purchaser, if any, is not aware of, any general solicitation or general advertising with respect to the offering of the Units, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Company's

website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(n) **No Undisclosed Information**.

(i) The Purchased Securities are not being purchased by the Purchaser or, by a Beneficial Purchaser, if any, as a result of any material information not in the Public Record concerning the Company and the decision of the Purchaser or each Beneficial Purchaser, if any, to tender this offer and acquire the Purchased Securities has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Company or any other person (except as otherwise specified herein);

(ii) the Purchaser, or each Beneficial Purchaser, if any, has relied solely upon this Subscription Agreement and the Public Record of, and issued by, the Company and not upon any verbal or other written representation as to fact or otherwise made by or on behalf of the Company or any employees, agents or affiliates thereof (except as otherwise specified herein). The Company's counsel, DLA and Cozen, the Agent's counsel, Stikeman and Foley, and the Purchaser's counsel, TingleMerrett, are entitled to the benefit of this subsection; and

(iii) neither the Purchaser nor the Beneficial Purchaser, if any, has knowledge of a "material fact" or "material change" (as those terms are defined in Securities Laws) in the affairs of the Company that has not been generally disclosed to the public.

(o) **Investment Suitability**. The Purchaser and each Beneficial Purchaser, if any, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Units and is able to bear the economic risk of total loss of such investment.

(p) **Not a "Control Person"**. The Purchaser, or Beneficial Purchaser, if any, is not a "control person" of the Company, as that term is defined in applicable Securities Laws, and will not immediately become a "control person" of the Company by virtue of the purchase of the Purchased Securities under this Subscription Agreement (including on a partially or fully-diluted basis) and does not act or intend to act in concert with any other person to form a control group in respect of the Company.

(q) **Not an "insider" or "registrant"**. The Purchaser, or Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent (i) is not either an "insider" of the Company or a "registrant" (each as defined under applicable Securities Laws) or, (ii) has identified itself to the Company as either an "insider" of the Company or a "registrant" (each as defined under applicable Securities Laws).

(r) **Other Documents**. The Purchaser and each Beneficial Purchaser, if any, will promptly execute and deliver any other documents reasonably required by the Company or applicable Securities Laws to permit the purchase of the Purchased Securities on the terms herein set forth which the Company or the Agent may reasonably request.

(s) **Personal Information**. The Purchaser acknowledges that this Subscription Agreement requires the Purchaser to provide to the Company and the Agent certain Personal Information relating to the Purchaser and each Beneficial Purchaser, if any. Such information is being collected and will be used by the Company and/or the Agent for the purposes of completing the proposed Offering, which includes, without limitation, determining the Purchaser's and each Beneficial Purchaser's, if any, eligibility to purchase the Purchased Securities under applicable Securities Laws, preparing and registering certificates or arranging for an electronic deposit representing the Notes and Warrants comprising the Units, the Conversion Shares issuable upon the exercise of the Notes and the Warrant Shares issuable upon the exercise of the Warrants and completing filings required by

the Securities Commissions, the SEC and the CSE. The Purchaser agrees that the Purchaser's and each Beneficial Purchaser's, if any, Personal Information may be disclosed by the Company and/or the Agent to: (a) applicable securities regulatory authorities, and (b) any of the other parties involved in the proposed Offering, including legal counsel to the Company and the Agent, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser consents to the foregoing collection, use and disclosure of the Purchaser's and each Beneficial Purchaser's, if any, Personal Information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents described in Section 4 hereof as may be required to be filed with any securities regulatory authority in connection with the transactions contemplated hereby. The Purchaser represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each Beneficial Purchaser, if any, for which the Purchaser is contracting hereunder.

(t) **International Purchasers**. The Purchaser, on behalf of the Purchaser and each Beneficial Purchaser, if any, makes the representations and warranties in the certificate attached as Schedule A hereto.

(u) **Legal Advice**. The Purchaser acknowledges and agrees that: (i) the Agent's legal counsel and the Company's legal counsel are acting, and at all times have acted, as legal counsel to the Agent and the Company, as applicable, and not as legal counsel to the Purchaser; and (ii) neither the Agent's legal counsel nor the Company's legal counsel assumes any responsibility or liability of any nature whatsoever for the accuracy or adequacy of any of the information furnished to the Purchaser in connection with the Offering. The Agent's legal counsel and the Company's legal counsel are entitled to the benefit of this representation and warranty.

(v) **No Reliance on the Agent**. The Purchaser acknowledges and agrees the Agent has not acted as a financial advisor or fiduciary to the Purchaser and that the Agent and its directors, officers, employees, representatives and controlling persons have no responsibility for making, and have not made, any independent investigation of the information contained herein or in the Public Record and make no representation or warranty to the Purchaser, express or implied, with respect to the Company, the Units, the Notes, the Conversion Shares, the Warrants or the Warrant Shares or the accuracy, completeness or adequacy of the information provided to the Purchaser or any other publicly available information, nor will any of the foregoing persons be liable for any loss or damages of any kind resulting from the use of the information contained therein or otherwise supplied to the Purchaser.

(w) **No Hedging.** The Purchaser has and shall not, directly or indirectly, itself, through related parties, affiliates or otherwise, (i) sell short (as such term is generally understood) any equity security of the Company or Canopy or (ii) otherwise engage in any transaction that involves hedging of such Purchaser's position in any equity security of the Company or Canopy until the later of the Maturity Date and the date of an Automatic Conversion.

(x) **Restriction on Trading**. The Purchaser (on its own behalf an on behalf of any Beneficial Purchaser) covenants and agrees that neither it nor any Beneficial Purchaser will, directly or indirectly, sell, dispose or otherwise trade, or cause to be sold, disposed or otherwise traded, any securities of the Company or any derivatives thereof for a period of ten Business Days preceding the date that the Company, Canopy and/or Canopy USA has announced as the anticipated closing date of the Transaction, as such anticipated closing date may be subsequently adjusted from time to time. Notwithstanding the foregoing, nothing in this section 9(y) shall prohibit the Purchaser from exercising the Put Right in accordance with the terms of the Put Agreement.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Company and the Agent in determining the Purchaser's eligibility or (if applicable) the eligibility of each Beneficial Purchaser on whose behalf it is contracting hereunder to purchase the Purchased Securities under Securities Laws. The Purchaser and each Beneficial Purchaser, if any, further agrees that by accepting delivery of the certificates or an electronic deposit

representing the Purchased Securities on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser and each Beneficial Purchaser at the Closing Time and that they shall survive the purchase by the Purchaser and each Beneficial Purchaser of the Purchased Securities and shall continue in full force and effect notwithstanding any subsequent disposition by the Purchaser or any Beneficial Purchaser of the Purchased Securities. The Purchaser and each Beneficial Purchaser, if any, undertakes to notify the Company, and the Agent at the address set out on page 2 hereof, immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

10. Purchaser's Acknowledgements.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that:

(a) the securities of the Company are not listed or quoted on any exchange or market other than the listing of the Company's Fixed Shares and Floating Shares, respectively, on the CSE and the OTCQX, and the Company has no obligation to list or obtain quotation of its securities on any other exchange or market;

(b) the Units and the underlying Notes and Warrants will not be listed or quoted on the CSE, the OTCQX or any other exchange or market;

(c) investing in the Company involves a high degree of risk including, without limitation, the risk factors outlined in the Annual Report together with the following risks relating to the Offering and the Company's business:

(i) an investment in the Units is highly speculative given the uncertain nature of the Company's business and its present stage of development;

(ii) there is no assurance that the Company will be successful and the likelihood of success must be considered in light of the relatively early stage of its operations;

(iii) the Notes represents a non-recourse unsecured obligation of the Company, other than its obligation to issue the Conversion Shares pursuant to the terms of the certificate(s) representing the Notes. Except if the Put Right is exercised and the transfer of the Notes is completed in accordance with the terms of the Put Agreement, the Notes will not represent a right or entitlement of the holder of payment of any amounts whatsoever by the Company, and without limiting the generality of the foregoing, the holder will have no claim to repayment of the principal amount of the Notes from the Company; rather, the Notes will only represents the right of the holder thereof receive Conversion Shares upon Automatic Conversion in accordance with its terms, prior to the Maturity Date and any such conversion of into Conversion Shares shall be the holders only recourse against the Company in respect of such principal amount outstanding and all other obligations. For greater certainty, and without limiting the previous sentence, upon the issuance of the Conversion Shares in accordance with the terms of the Notes, all obligations thereunder shall immediately and automatically be considered satisfied in full and such Notes shall be considered terminated without the requirement for any further action by, or notice to, any person. In the event that the Transaction has not closed on or prior to the Maturity Date, and the Put Right has not been exercised, the Notes shall represent a right to receive an indeterminate number of Fixed Shares so long as the Put Right remains unexercised. Prior to the exercise of the Put Right and the transfer of the Notes in accordance with the terms of the Put Agreement, nothing is intended to create, nor shall it be construed as creating, a payment obligation of the Company in respect of the Notes; and

(iv) as the Company operates in the cannabis industry, the Company is subject to certain risk factors which could affect the business, prospects, financial position, financial condition

or operating results of the Company including all of the risks and uncertainties relating to the Company as disclosed in its most recent base shelf prospectus, annual information form, management discussion & analysis and other public disclosure;

(d) (i) no agency, securities commission, Governmental Authority, regulatory body, stock exchange or other entity has reviewed, passed on, made any finding or determination as to the merits of investment in, nor have any such agencies, securities commissions, governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Units or the Offering; (ii) there is no governmental or other form of insurance covering the Units; and (iii) there are risks associated with the purchase of the Units and the Purchaser and each Beneficial Purchaser, if any, is capable of bearing the economic risk of the investment;

(e) the purchase of the Purchased Securities has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Units is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(f) no prospectus, registration statement or other offering document has been filed by the Company with a securities commission or other securities regulatory authority in any jurisdiction in or outside of Canada in connection with the issue of the Units, and such issuance is exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its purchase of the Purchased Securities hereunder, as applicable, except as otherwise provided herein:

(i) the Purchaser and each Beneficial Purchaser, if any, is restricted from using most of the protections, rights and remedies available under Securities Laws including, without limitation, statutory rights of rescission or damages;

(ii) the Purchaser and each Beneficial Purchaser, if any, will not receive information that may otherwise be required to be provided to the Purchaser and each Beneficial Purchaser under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws;

(iii) the Company is relieved from certain obligations that would otherwise apply under such applicable Securities Laws;

(iv) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement; and

(v) there are restrictions on the Purchaser's ability to resell the Purchased Securities, and it is the responsibility of the Purchaser and each Beneficial Purchaser to determine these restrictions and to comply with them before selling any Purchased Securities;

(g) the Purchased Securities are being offered for sale only on a "private placement" basis;

(h) the Agent will receive a cash commission, on the Closing Date, equal to 4.5% of the gross proceeds of the Offering, together with a work fee of US$100,000;

(i) none of the Company's counsel, DLA and Cozen, the Agent's counsel, Stikeman and Foley, nor the Purchaser's counsel, TingleMerrett, assumes any responsibility or liability of any nature whatsoever for the accuracy or adequacy of any of the information furnished to the Purchaser in connection with the Offering or as to whether all information concerning the Company required to be disclosed by the Company has been generally disclosed;

(j) the Purchaser acknowledges that none of the Company, the Agent, or any of their respective affiliates, related entities and associates, nor any persons acting on their behalf, will in any circumstances be liable to the Purchaser under, or arising out of or in any way connected with this Subscription Agreement for any indirect, special or consequential loss or damage whether arising in contract or tor (including for negligence or statutory duty);

(k) the Notes, the Warrants, the Conversion Shares issuable upon the exercise of the Notes and the Warrant Shares issuable upon the exercise of the Warrants, will be subject to certain resale restrictions under Securities Laws and the Purchaser and each Beneficial Purchaser, if any, agrees to comply with such restrictions. The Purchaser and each Beneficial Purchaser, if any, also acknowledge that it has been advised to consult its own legal advisors with respect to applicable resale restrictions and that it is solely responsible (and neither the Company nor the Agent is in any manner responsible) for complying with such restrictions. For purposes of complying with Canadian Securities Laws and National Instrument 45-102 - *Resale of Securities*, the Purchaser and each Beneficial Purchaser, if any, understand and acknowledge that all certificates or the relevant ownership statement under a direct registration system or other book-entry system or other form of written notice representing the Notes and the Warrants and, if issued prior to the date that is four months plus one day after the Closing Date, the Conversion Shares and the Warrant Shares, shall bear a legend substantially in the following form, indicating that the resale of such securities is restricted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE THAT IS FOUR MONTHS PLUS ONE DAY AFTER THE CLOSING DATE]."

In the event that the Company is required by applicable Securities Laws to provide written notice containing the foregoing legend to the beneficial purchaser of the Purchased Securities, the Purchaser and each Beneficial Purchaser acknowledge that notice shall be deemed to have been given and received on the date on which such notice was delivered to the address of such Purchaser and/or Beneficial Purchaser provided on the face page hereof.

(l) except for the Purchaser's right to put the Notes and the Warrants to Canopy USA pursuant to the Put Agreement (the "**Put Right**"), no person has made any written or oral representations or undertakings: (i) that any person will resell or repurchase the Notes, the Warrants, the Conversion Shares or the Warrant Shares; (ii) that any person will refund all or any of the Purchase Price; or (iii) as to the future price or value of the Notes, the Warrants, the Conversion Shares or Warrants Shares;

(m) the Purchaser and each Beneficial Purchaser, if any, is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transactions contemplated hereby;

(n) subject to compliance by the Company of its covenants provided herein, the Company may complete additional financings or in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current securityholders of the Company, including the Purchaser, and there is no assurance that such financing will be available, on reasonable terms or at all, and if not available, the Company may be unable to fund its ongoing development;

(o) each of DLA and Cozen is acting solely as counsel to the Company, and each of Stikeman and Foley is acting solely as counsel to the Agent, and neither DLA, Cozen, Stikeman nor Foley is acting as counsel to the Purchaser;

(p) the Purchaser each Beneficial Purchaser, if any, by virtue of holding the Purchased Securities will not be a shareholder of the Company and will not be entitled to any right or interest in respect thereof (including voting rights or right to notice of meetings of shareholders of the Company); and

(q) the Purchaser may receive periodic updates with respect to the Company and the Purchaser further consents to receiving future email and other electronic communications from the Company and its representatives.

11. Further Acknowledgements of the Purchaser.

The Purchaser hereby acknowledges, agrees and consents to:

(a) the disclosure of Personal Information to each of the Company, the Agent, the Securities Commissions and the CSE; and

(b) the collection, use and disclosure of Personal Information by the Company for corporate finance and shareholder communication purposes as are necessary to the Company's business.

The Purchaser acknowledges and agrees that the Purchaser has been notified by the Company: (i) of the delivery to the Securities Commissions of Personal Information pertaining to the Purchaser, including, without limitation, the full name, residential address and telephone number of the Purchaser, the number and type of securities purchased and the total Purchase Price paid in respect of the Purchased Securities; (ii) that this information is being collected indirectly by the Securities Commissions under the authority granted to them under securities legislation; (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Canada; and (iv) that the title, business address and business telephone number of the public official of each of the Securities Commissions who can answer questions about the indirect collection of Personal Information is attached hereto as Schedule B.

Pursuant to the Fixed Share Arrangement, Canopy (i) was granted the option to acquire all of the issued and outstanding Fixed Shares (following the mandatory conversion of the Fixed Multiple Shares into Fixed Shares) on the basis of 0.03048 of a Canopy Share (after taking into account a reverse 1-for-10 share consolidation completed by Canopy on December 15, 2023) for each Fixed Share held at the time of the acquisition of the Fixed Shares, subject to adjustment in accordance with the terms of the Fixed Share Arrangement (the "**Fixed Call Option**"). Subject to the provisions of the Floating Share Arrangement Agreement, the Fixed Call Option must be exercised no later June 17, 2024. In acquiring the Notes and the Warrants comprising the Units, the Purchaser hereby acknowledges that the Notes, the Warrants, Conversion Shares and the Warrant Shares will be subject to the Fixed Share Arrangement and the Fixed Call Option.

12. No Revocation.

The Purchaser and each Beneficial Purchaser, if any, agrees that this offer is made for valuable consideration and, except as set out herein, may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Company.

13. Indemnity.

The Purchaser and each Beneficial Purchaser, if any, agrees to indemnify and hold harmless the Company, the Agent, and their respective directors, officers, employees, agents, legal and other advisers from and against any and all loss, liability, claim, damage and expense (including, but not limited to, any and all reasonable fees, costs and expenses whatsoever incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser and each Beneficial Purchaser, if any, contained herein or in any document furnished by the Purchaser and each Beneficial Purchaser, if any, to the Company or the Agent in connection herewith being untrue in any material respect or any breach or failure by the Purchaser or any Beneficial Purchaser, if any, to

comply in any material respect with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Company or the Agent in connection herewith.

The Company agrees to indemnify and hold harmless the Purchaser, the Beneficial Purchaser, if any, and the Agent, and their respective directors, officers, employees, agents, legal and other advisers from and against any and all loss, liability, claim, damage and expense (including, but not limited to, any and all reasonable fees, costs and expenses whatsoever incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Company contained herein being untrue in any material respect or any breach or failure the Company to comply in any material respect with any covenant or agreement made by the Company herein.

To the extent that any person entitled to be indemnified hereunder is not a party to this Subscription Agreement, the Company and the Agent (in the case of the first paragraph) and the Purchaser (in the case of the second paragraph) shall obtain and hold the rights and benefits of this Subscription Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provisions of this section 13 notwithstanding that such indemnified person is not a party to this Subscription Agreement.

14. Modification.

Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

15. Assignment.

The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of (a) the Purchaser and each Beneficial Purchaser, if any, and their respective successors, assignees, heirs, executors, administrators and personal representatives, as applicable, and (b) the Company and its successors and assigns; provided that this Subscription Agreement shall not be assignable by any party hereto without the prior written consent of the other party hereto. For greater certainty, this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation applicable Securities Laws) and with the express written consent of the Company.

16. Miscellaneous and Counterparts.

All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser, each Beneficial Purchaser, if any, and the Company herein will survive the execution and delivery, and acceptance, of this offer and the Closing or the termination hereof. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or portable document format or other electronic form, shall be deemed to be an original and all of which together shall constitute one and the same document.

17. Governing Law.

This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Purchaser and each Beneficial Purchaser, if any, hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

18. Portable Document Format.

The Company shall be entitled to rely on delivery by portable document format of an executed copy of this Subscription Agreement, including the completed schedules attached hereto, and acceptance by the Company of such portable document format copy shall be legally effective to create a valid and binding agreement between the Purchaser and each Beneficial Purchaser, if any, and the Company in accordance with the terms hereof.

19. Entire Agreement.

This Subscription Agreement (including the schedules attached hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. In the event that execution pages are delivered to the Company without this entire agreement, the Company is entitled to assume that the Purchaser, and each Beneficial Purchaser for whom it is acting, has accepted all of the terms and conditions contained in the parts of this Subscription Agreement that are not returned, without amendment or modification. This Subscription Agreement may be amended or modified in any respect by written instrument only.

20. Notices

Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, or transmitted by electronic transmission portable document format (PDF) tested prior to transmission to such party, as follows:

in the case of the Corporation, to:

Acreage Holdings, Inc.
[-]

and a copy to:

DLA Piper (Canada) LLP
[-]

in the case of the Purchaser, at the address specified on the face page hereof.

Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day and if transmitted electronically or by portable document format (PDF), shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following the day of such transmission.

Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

21. Language.

The Purchaser and each Beneficial Purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Units be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consent et demandé que tons les documents faisant foi ou se rapportant de quelque manière à l'achat d'Unités de Warrant soient rédigés en anglais seulement*.

22. Time of Essence.

Time shall be of the essence of this Subscription Agreement.

23. Currency.

Unless otherwise specified, all dollar amounts referred to in this Subscription Agreement, including the symbols "$" and "US$", are in U.S. Dollars. All dollar amounts referred to in this Subscription Agreement by the symbol "C$" are to Canadian dollars.

24. Further Assurances.

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.

25. Severability.

If one or more of the provisions contained in this Subscription Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Subscription Agreement is hereby declared to be separate and distinct.

26. Singular and Plural, etc.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

27. Headings.

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

SCHEDULE A

CERTIFICATE OF NON-CANADIAN PURCHASERS
(OTHER THAN U.S. PURCHASERS)

TO: **ACREAGE HOLDINGS, INC. (the "Company")**

AND TO: **ATB SECURITIES INC.**

The undersigned, on its own behalf and (if applicable) on behalf of others for whom it is contracting hereunder as trustee or agent (referred to herein collectively as the "**Purchaser**"), represents, warrants and covenants to and with the Company (and acknowledges that the Company is relying thereon) that is contracting hereunder is, the Purchaser is a resident of, or otherwise subject to, the securities legislation of a jurisdiction other than Canada or the United States, and:

(i) the Purchaser is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Purchaser is purchasing the Purchased Securities for its own account and not for the benefit of any other person and pursuant to exemptions from the prospectus and registration requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Purchaser is permitted to purchase the Purchased Securities under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws of the International Jurisdiction do not require the Company to file a prospectus, offering memorandum or similar document or to register or qualify the distribution of the Units, the Notes, the Warrants, the Conversion Shares issuable upon the conversion of the Notes, or the Warrant Shares issuable upon the exercise of the Warrants or for the Company to be registered with or to make any filings or seek any approvals of any kind whatsoever from any governmental or regulatory authority or pay any fee of any kind whatsoever in the International Jurisdiction;

(iv) the Purchaser will not sell or otherwise dispose of any Notes or Warrants comprising the Units, the Conversion Shares issuable upon the conversion of the Notes or Warrant Shares issuable upon the exercise of the Warrants, except in accordance with applicable securities laws in Canada and the United States, and if the Purchaser sells or otherwise disposes of any Notes, the Warrants, the Conversion Shares issuable upon the conversion of the Notes or Warrant Shares issuable upon the exercise of the Warrants to a person other than a resident of Canada or the United States, as the case may be, the Purchaser will, if required by applicable securities laws, obtain from such purchaser representations, warranties and covenants in the same form as provided in this certificate and shall comply with such other requirements as the Company may reasonably require; and

(v) the delivery of this Subscription Agreement, the acceptance of it by the Company and the issue of the Units, the Notes, the Warrants, the Conversion Shares issuable upon the conversion of the Notes or the Warrant Shares issuable upon the exercise of the Warrants to the Purchaser complies with all applicable laws of the Purchaser's jurisdiction of residence or domicile and all other applicable laws and will not cause the Company to become subject to or comply with any continuous disclosure, prospectus or other periodic filing or reporting requirements under any such applicable laws.

Upon execution of this certificate by the Purchaser, this certificate shall be incorporated into and form a part of the subscription agreement to which this certificate is attached (the "**Subscription Agreement**"). Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Subscription Agreement.

The foregoing representations and warranties contained in this certificate are true an accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations and warranties shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED _____, 2024.

_____
Name of Purchaser

By: _____
Signature

_____
Title

SCHEDULE B

COLLECTION OF PERSONAL INFORMATION

Alberta Securities Commission Suite 600, 250 - 5th Street SW Calgary, Alberta T2P 0R4 Telephone: (403) 297-6454 Toll free in Canada: 1-877-355-0585 Facsimile: (403) 297-2082 Public official contact regarding indirect collection of information: FOIP Coordinator	**British Columbia Securities Commission** P.O. Box 10142, Pacific Centre 701 West Georgia Street Vancouver, British Columbia V7Y 1L2 Inquiries: (604) 899-6854 Toll free in Canada: 1-800-373-6393 Facsimile: (604) 899-6581 Email: FOI-privacy@bcsc.bc.ca Public official contact regarding indirect collection of information: FOI Inquiries
Ontario Securities Commission 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8 Telephone: (416) 593-8314 Toll free in Canada: 1-877-785-1555 Facsimile: (416) 593-8122 Email: exemptmarketfilings@osc.gov.on.ca Public official contact regarding indirect collection of information: Inquiries Officer	**Financial and Consumer Affairs Authority of Saskatchewan** Suite 601 - 1919 Saskatchewan Drive Regina, Saskatchewan S4P 4H2 Telephone: (306) 787-5879 Facsimile: (306) 787-5899 Public official contact regarding indirect collection of information: Director
The Manitoba Securities Commission 500 - 400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: (204) 945-2548 Toll free in Manitoba: 1-800-655-5244 Facsimile: (204) 945- 0330 Public official contact regarding indirect collection of information: Director	**Prince Edward Island Securities Office** 95 Rochford Street, 4th Floor Shaw Building P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4569 Facsimile: (902) 368-5283 Public official contact regarding indirect collection of information: Superintendent of Securities
Financial and Consumer Services Commission (New Brunswick) 85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: (506) -658-3060 Toll free in Canada: 1-866-933-2222 Facsimile: (506) 658-3059 Email: info@fcnb.ca Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer	**Nova Scotia Securities Commission** Suite 400, 5251 Duke Street Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-7768 Facsimile: (902) 424-4625 Public official contact regarding indirect collection of information: Executive Director

Government of Newfoundland and Labrador **Financial Services Regulation Division** P.O. Box 8700 Confederation Building 2nd Floor, West Block Prince Philip Drive St. John's, Newfoundland and Labrador A1B 4J6 Attention: Director of Securities Telephone: (709) 729-4189 Facsimile: (709) 729-6187 Public official contact regarding indirect collection of information: Superintendent of Securities	**Autorité des marchés financiers** 800, Square Victoria, 22e étage C.P. 246, Tour de la Bourse Montréal, Québec H4Z 1G3 Telephone: (514) 395-0337 or 1-877-525-0337 Facsimile: (514) 873-6155 (For filing purposes only) Facsimile: (514) 864-6381 (For privacy requests only) Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Government of the Northwest Territories **Office of the Superintendent of Securities** P.O. Box 1320 Yellowknife, Northwest Territories X1A 2L9 Attention: Deputy Superintendent, Legal & Enforcement Telephone: (867) 920-8984 Facsimile: (867) 873-0243	**Government of Yukon** **Department of Community Services** Law Centre, 3rd Floor 2130 Second Avenue Whitehorse, Yukon Y1A 5H6 Telephone: (867) 667-5314 Facsimile: (867) 393-6251
Government of Nunavut Department of Justice Legal Registries Division P.O. Box 1000, Station 570 1st Floor, Brown Building Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590 Facsimile: (867) 975-6594	

SCHEDULE C

SUBSIDIARIES

SCHEDULE D

WIRE INSTRUCTIONS

See attached.

Acreage Announces Multiple Corporate Transactions

Option to Acquire Acreage Exercised to Facilitate Acquisition by Canopy USA

Acreage Enters into Amended and Restated Credit Agreement with New Lender syndicate

Acquisition of Acreage by Canopy USA Expected to Close in 1H 2025

New York, NY, June 4, 2024 - Acreage Holdings, Inc. ("Acreage" or the "Company") (CSE: ACRG.A.U, ACRG.B.U) (OTCQX: ACRHF, ACRDF), a vertically integrated, multi-state operator of cannabis cultivation and retailing facilities in the U.S., today reported a series of corporate events and actions, including (i) the exercise of the call option (the "Call Option") to acquire all of the issued and outstanding Class E subordinate voting shares of the Company (each, a "Fixed Share") in accordance with the arrangement agreement between Acreage and Canopy Growth Corporation ("Canopy") dated April 18, 2019, as amended (the "Fixed Share Arrangement Agreement"), and (ii) the execution of an amended and restated credit agreement (the "Amended and Restated Credit Agreement") with a new syndicate of lenders, including 11065220 Canada Inc.

"This is a transformative moment which reflects the determination of our partners and team to deliver a clear path for growth and look forward to this next step in Acreage's journey as part of the Canopy USA ecosystem," said Dennis Curran, Chief Executive Officer. "The debt restructuring and option exercise to commence Canopy USA's acquisition of the Company, combined with our operational restructuring and our focus on reduced costs, should enable us to reach our potential and we are especially excited about Acreage's opportunities in Ohio, Pennsylvania, New York, and New Jersey."

Call Option Exercise and Floating Share Arrangement Update

Notice of the Call Option was delivered to the Company initiating the acquisition of all issued and outstanding Fixed Shares (the "Fixed Share Acquisition"). The Fixed Share Acquisition is anticipated to occur immediately after the acquisition of the Class D subordinate voting shares of Acreage (the "Floating Shares") pursuant to the plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Floating Share Arrangement") in accordance with the arrangement agreement (the "Floating Share Arrangement Agreement") dated October 24, 2022, as amended, among the Company, Canopy and Canopy USA (the "Floating Share Acquisition" and together with the Fixed Share Acquisition, the "Acquisitions"). Upon the closing of the Acquisitions, Canopy USA will own 100% of the issued and outstanding shares of Acreage.

While Canopy, Canopy USA, and the Company are eager, and actively working, to close the Acquisitions as promptly as possible, closing of the Acquisitions remains subject to completion of the conditions set forth in the Fixed Share Arrangement Agreement and Floating Share Arrangement Agreement. The Company anticipates the Acquisitions will close during the first half of 2025 following receipt of required regulatory approvals.

Amended and Restated Credit Agreement

11065220 Canada Inc., a subsidiary of Canopy, exercised its option, in part, to acquire certain outstanding debt of the Company. Concurrently, the Company entered into the Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement will continue to bear interest at a variable rate of U.S. prime ("Prime") plus 5.75% per annum, payable monthly in arrears, with a Prime floor of 5.50%, and a maturity date of January 1, 2026. Effective immediately, interest under the Amended and Restated Credit Agreement will be payable in cash or in kind, at the Company's election, through November 30, 2024.

"The Amended and Restated Credit Facility is anticipated to allow us to improve cash flows," said Philip Himmelstein, Acreage's interim Chief Financial Officer. He continued that "with this amendment and the restatement of financial covenants and remediation of defaults, we are well-positioned to succeed in our core markets as we continue to evaluate all options for raising capital and improving cash flow and profitability".

About Acreage Holdings

Acreage is a multi-state operator of cannabis cultivation and retailing facilities in the U.S., including the Company's national retail store brand, The Botanist. With its principal address in New York City, Acreage's wide range of national and regionally available cannabis products include the award-winning brands *The Botanist* and *Superflux*, the *Prime* medical brand in Pennsylvania, and others. Acreage has focused on building and scaling operations to create a seamless, consumer-focused, branded experience. Learn more at www.acreageholdings.com and follow us on Twitter, LinkedIn, Instagram, and Facebook.

Forward-Looking Statements

This news release and each of the documents referred to herein contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation, respectively. All statements, other than statements of historical fact, included herein are forward-looking information, including, without limitation, the expected benefits resulting from the Amended and Restated Credit Agreement, the ability of the Company to remain solvent, satisfaction of the conditions set forth in the Fixed Share Arrangement Agreement and Floating Share Arrangement Agreement, including receipt of required regulatory approvals, the closing of the Acquisitions, and the ability of the Company to continue as a going concern. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of Acreage or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including, but not limited to: the occurrence of changes in U.S. federal Laws regarding the cultivation, distribution or possession of marijuana; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Floating Share Arrangement Agreement; the ability of Canopy, Canopy USA and Acreage to satisfy, in a timely manner, the closing conditions to the Floating Share Arrangement; risks relating to the value and liquidity of the Floating Shares and the common shares of Canopy; Canopy maintaining compliance with the Nasdaq and Toronto Stock Exchange listing requirements; the rights of the Floating Shareholders may differ materially from those of shareholders in Canopy; expectations regarding future investment, growth and expansion of Acreage's operations; the possibility of adverse U.S. or Canadian tax consequences upon completion of the Floating Share Arrangement; if Canopy USA acquires the Fixed Shares pursuant to the Fixed Share Arrangement Agreement without structural amendments to Canopy's interest in Canopy USA, the listing of the Canopy Shares on the Nasdaq may be jeopardized; the risk of a change of control of either Canopy or Canopy USA; restrictions on Acreage's ability to pursue certain business opportunities and other restrictions on Acreage's business; the impact of material non-recurring expenses in connection with the Floating Share Arrangement on Acreage's future results of operations, cash flows and financial condition; the possibility of securities class action or derivatives lawsuits; in the event that the Floating Share Arrangement is not completed, but the Fixed Share Acquisition is completed and Canopy becomes the majority shareholder in Acreage, the likelihood that the Floating Shareholders will have little or no influence on the conduct of Acreage's business and affairs; risk of situations in which the interests of Canopy USA and the interests of Acreage or shareholders of Canopy may differ; Acreage's compliance with Acreage's business plan for the fiscal years ending December 31, 2020 through December 31, 2029 pursuant to the Fixed Share Arrangement Agreement; in the event that the Floating Share Arrangement is completed, the likelihood of Canopy completing the Fixed Share Acquisition in accordance with the Fixed Share Arrangement Agreement; there is no certainty on the Exchange Ratio and, depending on timing of closing of the Acquisitions, if at all (see "*Risk Factors - Risks Related to the Acquisition - Risks Associated with a Fixed Exchange Ratio*" and "*Risk Factors - Risks Related to the Acquisition - The Exchange Ratio may be decreased in certain instances*" in the Company's Management Information Circular dated May 17, 2019); risks relating to certain directors and executive officers of Acreage having interests in the transactions contemplated by the Floating Share Arrangement Agreement and the connected transactions that are different from those of the Floating Shareholders; risks relating to the possibility that holders of more than 5% of the Floating Shares may exercise dissent rights; other expectations and assumptions concerning the transactions contemplated between Canopy, Canopy USA and Acreage; the available funds of Acreage and the anticipated use of such funds; the availability of financing opportunities for Acreage and Canopy USA and the risks associated with the completion thereof; regulatory and licensing risks; the ability of Canopy, Canopy USA and Acreage to leverage each other's respective capabilities and resources; changes in general economic, business and political conditions, including changes in the financial and stock markets; risks relating to infectious diseases, including the impacts of the COVID-19; legal and regulatory risks inherent in the cannabis industry, including the global regulatory landscape and enforcement related to cannabis, political risks and risks relating to regulatory change; risks

relating to anti-money laundering laws; compliance with extensive government regulation and the interpretation of various laws regulations and policies; public opinion and perception of the cannabis industry; and such other risks disclosed in the Circular, the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as amended, and the Company's other public filings, in each case filed with the SEC on the EDGAR website at www.sec.gov and with Canadian securities regulators and available under Acreage's profile on SEDAR+ at www.sedarplus.ca. Although Acreage has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Although Acreage believes that the assumptions and factors used in preparing the forward-looking information or forward-looking statements in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking information and forward-looking statements included in this news release are made as of the date of this news release and Acreage does not undertake any obligation to publicly update such forward-looking information or forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

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Acreage Enters into US$10MM Private Placement

New York, NY, June 5, 2024 - Acreage Holdings, Inc. ("Acreage" or the "Company") (CSE: ACRG.A.U, ACRG.B.U) (OTCQX: ACRHF, ACRDF), a vertically integrated, multi-state operator of cannabis cultivation and retailing facilities in the U.S., today announced that it has entered into subscription agreements with certain institutional investors (each, an "Investor") to issue units (the "Units") by way of a brokered private placement at a price of US$833.33 per Unit, for gross proceeds to the Company of US$10 million (the "Offering").

Each Unit will consist of: (i) US$1,000 principal amount of non-recourse unsecured convertible notes (the "Notes"), reflecting a 16.67% original issue discount, convertible into that number of Class E subordinate voting shares of the Company (the "Fixed Shares") at the Conversion Price (as defined below); and (ii) Fixed Share purchase warrants (the "Warrants"), with each Warrant exercisable to acquire one Fixed Share at the Exercise Price (as defined below) at any time on or before the date which is 60 months after the closing date of the Offering (the "Closing Date"). The number of Warrants to be issued to each Investor shall be the quotient obtained by dividing the aggregate US$10 million subscription amount of the Units by the Exercise Price.

The Company is party to an arrangement agreement with Canopy Growth Corporation ("Canopy") dated April 18, 2019, as amended (the "Fixed Share Arrangement Agreement"), relating to the proposed acquisition of all issued and outstanding Fixed Shares (the "Fixed Share Acquisition"). The Fixed Share Acquisition is anticipated to occur immediately after the acquisition of the Class D subordinate voting shares of Acreage (the "Floating Shares") pursuant to the plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Floating Share Arrangement") in accordance with the arrangement agreement (the "Floating Share Arrangement Agreement") dated October 24, 2022, as amended, among the Company, Canopy and Canopy USA (the "Floating Share Acquisition" and together with the Fixed Share Acquisition, the "Acquisitions"). Upon the closing of the Acquisitions, Canopy USA will own 100% of the issued and outstanding shares of Acreage.

The "Conversion Price" of the Notes shall be the price per Fixed Share determined by multiplying (i) the Exchange Ratio (as such term is defined in Fixed Share Arrangement Agreement) as the same shall be adjusted in accordance with the terms of the Fixed Share Arrangement Agreement by, (ii) the Fair Market Value (as such term is defined in the Fixed Share Arrangement Agreement) of the common shares of Canopy (the "Canopy Shares") on the business day prior to the closing of the Fixed Share Acquisition after giving effect to the conversion of the Notes and the determination of the number of Warrants issued under the Offering. The Conversion Price shall be determined at the closing of the Fixed Share Acquisition.

The "Exercise Price" of the Warrants shall equal the Conversion Price; provided, however, that in the event that the Put Right (as defined below) is exercised, the Exercise Price shall be not less than US$0.375.

In connection with the Offering, each Investor intends to enter into a put agreement with Canopy USA, pursuant to which such Investor will have the right (the "Put Right") to require Canopy

USA to purchase the Notes and the Warrants subscribed for by it under the Offering if (i) the Fixed Share Acquisition is not completed before the date that is 15 months from the Closing Date (the "Maturity Date"), (ii) if the Fixed Share Acquisition is terminated at any time prior to the Maturity Date, or (iii) if the Company is subject to an insolvency event.

If the Acquisitions are completed before the Maturity Date: (i) each Note will be automatically converted immediately prior to the completion of the Fixed Share Acquisition at the Conversion Price; and (ii) each Warrant shall be exercisable for such number of Canopy Shares as the holder thereof would have been entitled to receive in accordance with the terms of the Fixed Share Arrangement Agreement had the holder exercised the Warrants prior to the closing of the Fixed Share Acquisition. If the Fixed Share Acquisition is not completed by the Maturity Date and, provided that the Put Right has been exercised, the outstanding Notes shall thereafter only represent an unsecured payment obligation of the principal amount thereof by Company in favor of Canopy USA.

Closing of the Offering is expected to occur on or about June 6, 2024 and is subject to customary closing conditions. The Company will deposit the net proceeds of the Offering in a segregated account and intends to use the same for working capital and general corporate purposes.

While the number of Fixed Shares issuable upon conversion or exercise, as applicable, of the Notes and the Warrants remains unknown at this time, the completion of the Offering is expected to result in significant dilution of the Fixed Shares, particularly given that the Conversion Price of the Notes is based on the Exchange Ratio, which will be adjusted pursuant to the Fixed Share Arrangement Agreement for issuances in excess of the Purchaser Approved Share Threshold (as such term is defined in the Fixed Share Arrangement Agreement). The Offering is expected to result in the issuance of Fixed Shares under the Notes, and Warrants exercisable to acquire Fixed Shares, at the time of closing the Fixed Share Arrangement, well in excess of the Purchaser Approved Share Threshold, with the effect that the Exchange Ratio will be significantly reduced. The Exchange Ratio reduction is expected to have a material and adverse effect on the number of Canopy shares that holders of Fixed Shares could receive pursuant to the Fixed Share Arrangement Agreement may have a material and adverse effect on the value of the Fixed Shares.

The following table below sets forth the potential Exchange Ratio based on a range of Canopy Share prices during the previous 52-week period after giving effect to the Offering:

Canopy Share Price (US$)	**Fixed Share Exchange Ratio**
US$5.00	≈ 0.00000
US$6.00	0.00190
US$7.00	0.00656
US$8.00	0.01005
US$9.00	0.01277
US$10.00	0.01494
US$11.00	0.01672
US$12.00	0.01821

US$13.00	0.01946
US$14.00	0.02054
US$15.00	0.02147
US$16.00	0.02228
US$17.00	0.02300
US$18.00	0.02364
US$19.00	0.02421

While the above chart shows indicative potential adjustment to the Fixed Share Exchange Ratio at the closing of the Fixed Share Acquisition (based on the number of Fixed Shares and securities convertible into or exercisable to acquire Fixed Shares, as of the date hereof), it assumes there have been no further actions taken by the Company to address the potential significant dilution and related impact on the Exchange Ratio.

Furthermore, as a result of the potential significant dilution of the Fixed Shares as described above, the closing of the Offering may result in the creation of a new Control Person (as defined in the policies of the Canadian Securities Exchange ("CSE")), and, as a result, the Offering may be deemed to have Materially Affected Control (as defined in the policies of the CSE) of the Company. The Conversion Price of the Notes may also be lower than the market price of the Fixed Shares at such time less the Maximum Permitted Discount (as defined in the policies of the CSE). The Exercise Price of the Warrants may also be lower than the market price of the Fixed Shares as of the date hereof. The Company confirms that it has been granted approval by the CSE to avoid seeking securityholder approval for the Offering and the potential creation of a new Control Person in reliance on the exceptions outlined in section 4.6(2)(b) of CSE Policy 4, as the Company is in serious financial difficulty. No related person of the Company will be participating in the Offering.

The Company has, over the course of the last several months, explored numerous avenues to secure additional funding, in order to continue ongoing operations and development activity, and, as required, to service its outstanding debt obligations. To date, the Company has been unable to secure any such debt or equity funding, due to ongoing unfavorable capital markets conditions, the Company's high debt levels, its increasingly distressed financial condition and constraints under the Fixed Share Arrangement Agreement. Given the Company's deteriorating financial condition, it defaulted on its obligations under the Company's outstanding debt obligations, and on April 20, 2024 and May 10, 2024, the Company received a notice of default letter on each date from the agents of the Prime rate credit facilities due January 2026, as amended, of the occurrence of certain events of default.

The Company currently does not have sufficient funding to continue as a going concern, and therefore, if the Offering is not completed, and no alternative arrangements are secured, there is significant doubt about the Company's ability to continue as a going concern. If this Offering does not proceed, there is significant doubt that management will be successful in securing alternative funding or that management will have sufficient time to implement any alternative transaction, which would be required to enable the Company to continue as a going concern.

The Board of Directors of the Company determined it was in the best interests of the Company to enter into the Offering given the immediate working capital needs of the business, the distressed position with respect to accounts payable, and the need to ensure that it would continue to meet ongoing payroll obligations. As disclosed in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, there was substantial doubt about the Company's ability to continue as a going concern, which the proceeds of the Offering, along with the Company's previously announced amended and restated credit agreement, are expected to alleviate.

The Company's independent directors have also determined that the Offering is in the best interests of the Company and reasonable based on the Company's current financial circumstances in order keep the Company solvent; the Company's independent directors have determined that neither (i) seeking shareholder approval for the Offering, nor (ii) a rights offering to existing securityholders on the same terms would be feasible to complete, based on the Company's immediate liquidity requirements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. None of the Units, Notes, Warrants or Fixed Shares issuable upon conversion or exercise thereof have been, nor will they be, registered under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Acreage Holdings

Acreage is a multi-state operator of cannabis cultivation and retailing facilities in the U.S., including the Company's national retail store brand, The Botanist. With its principal address in New York City, Acreage's wide range of national and regionally available cannabis products include the award-winning brands *The Botanist* and *Superflux*, the *Prime* medical brand in Pennsylvania, and others. Acreage has focused on building and scaling operations to create a seamless, consumer-focused, branded experience. Learn more at www.acreageholdings.com and follow us on Twitter, LinkedIn, Instagram, and Facebook.

Forward-Looking Statements

This news release and each of the documents referred to herein contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation, respectively. All statements, other than statements of historical fact, included herein are forward-looking information, including, without limitation, the expected benefits resulting from the Company's previously announced amended and restated credit agreement, the Closing Date of the Offering or the completion thereof, the use of proceeds from the Offering, the Conversion Price or the Exercise Price, the number of Fixed Shares to be issued upon conversion of the Notes, the number of Warrants or Fixed Shares issuable upon exercise thereof, the conversion of the Notes and Warrants based on the timing of the completion of the Acquisitions, the dilutive effect of the Offering on the Fixed Shares, the Company taking

steps to mitigate dilution prior to the Acquisitions closing, amendments to the Exchange Ratio, the ability of the Company to remain solvent, the creation of a new Control Person, the satisfaction of the conditions set forth in the Fixed Share Arrangement Agreement and Floating Share Arrangement Agreement, the closing of the Acquisitions, the exercise of the Put Right, the ability of management to secured alternative financing arrangements, and the ability of the Company to continue as a going concern. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of Acreage or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including, but not limited to: the occurrence of changes in U.S. federal laws regarding the cultivation, distribution or possession of marijuana; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Floating Share Arrangement Agreement; the ability of Canopy, Canopy USA and Acreage to satisfy, in a timely manner, the closing conditions to the Floating Share Arrangement; risks relating to the value and liquidity of the Floating Shares and the common shares of Canopy; Canopy maintaining compliance with the Nasdaq and Toronto Stock Exchange listing requirements; the rights of the holders of Floating Shares may differ materially from those of shareholders in Canopy; expectations regarding future investment, growth and expansion of Acreage's operations; the possibility of adverse U.S. or Canadian tax consequences upon completion of the Floating Share Arrangement; if Canopy USA acquires the Fixed Shares pursuant to the Fixed Share Arrangement Agreement without structural amendments to Canopy's interest in Canopy USA, the listing of the Canopy Shares on the Nasdaq may be jeopardized; the risk of a change of control of either Canopy or Canopy USA; restrictions on Acreage's ability to pursue certain business opportunities and other restrictions on Acreage's business; the impact of material non-recurring expenses in connection with the Floating Share Arrangement on Acreage's future results of operations, cash flows and financial condition; the possibility of securities class action or derivatives lawsuits; in the event that the Floating Share Arrangement is not completed, but the Fixed Share Acquisition is completed and Canopy becomes the majority shareholder in Acreage, the likelihood that the holders of Floating Shares will have little or no influence on the conduct of Acreage's business and affairs; risk of situations in which the interests of Canopy USA and the interests of Acreage or shareholders of Canopy may differ; Acreage's compliance with Acreage's business plan for the fiscal years ending December 31, 2020 through December 31, 2029 pursuant to the Fixed Share Arrangement Agreement; in the event that the Floating Share Arrangement is completed, the likelihood of Canopy completing the Fixed Share Acquisition in accordance with the Fixed Share Arrangement Agreement; there is no certainty on the Exchange Ratio and, depending on timing of closing of the Acquisitions, if at all, and the potential for dilution in respect of the Offering, there may be further diminution of

the Exchange Ratio, which will result in fewer Canopy Shares being received upon completion of the Acquisition (see "*Risk Factors - Risks Related to the Acquisition - Risks Associated with a Fixed Exchange Ratio*" and "*Risk Factors - Risks Related to the Acquisition - The Exchange Ratio may be decreased in certain instances*" in the Company's Management Information Circular dated May 17, 2019); risks relating to certain directors and executive officers of Acreage having interests in the transactions contemplated by the Floating Share Arrangement Agreement and the connected transactions that are different from those of the holders of Floating Shares; other expectations and assumptions concerning the transactions contemplated between Canopy, Canopy USA and Acreage; the available funds of Acreage and the anticipated use of such funds; the availability of financing opportunities for Acreage and Canopy USA and the risks associated with the completion thereof; regulatory and licensing risks; the ability of Canopy, Canopy USA and Acreage to leverage each other's respective capabilities and resources; changes in general economic, business and political conditions, including changes in the financial and stock markets; risks relating to infectious diseases, including the impacts of the COVID-19; legal and regulatory risks inherent in the cannabis industry, including the global regulatory landscape and enforcement related to cannabis, political risks and risks relating to regulatory change; risks relating to anti-money laundering laws; compliance with extensive government regulation and the interpretation of various laws regulations and policies; public opinion and perception of the cannabis industry; and such other risks disclosed in the Company's Management Information Circular dated May 17, 2019, the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as amended, and the Company's other public filings, in each case filed with the SEC on the EDGAR website at www.sec.gov and with Canadian securities regulators and available under Acreage's profile on SEDAR+ at www.sedarplus.ca. Although Acreage has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

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Acreage Announces Completion of US$10 Million Private Placement

New York, NY, June 6, 2024 - Acreage Holdings, Inc. ("Acreage" or the "Company") (CSE: ACRG.A.U, ACRG.B.U) (OTCQX: ACRHF, ACRDF), a vertically integrated, multi-state operator of cannabis cultivation and retailing facilities in the U.S., is pleased to announce that, further to its press release on June 5, 2024, the Company has completed its previously announced brokered private placement (the "Offering") of 12,000 units (the "Units") of the Company at a price of US$833.33 per Unit, for gross proceeds to the Company of US$10 million (the "Funded Amount").

Each Unit consists of: (i) US$1,000 principal amount of non-recourse unsecured convertible notes (the "Notes"), reflecting a 16.67% original issue discount, convertible into Class E subordinate voting shares of the Company (the "Fixed Shares"); and (ii) Fixed Share purchase warrants (the "Warrants") of the Company, representing 100% warrant coverage for Funded Amount.

ATB Securities Inc. acted as agent in connection with the Offering.

The Company will deposit the net proceeds of the Offering in a segregated account and intends to use the same for working capital and general corporate purposes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. None of the Units, Notes, Warrants or Fixed Shares issuable upon conversion or exercise thereof have been, nor will they be, registered under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Acreage Holdings

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of the Notes, the number of Warrants or Fixed Shares issuable upon exercise thereof, the dilutive effect of the Offering on the Fixed Shares, the ability of the Company to remain solvent, and the ability of the Company to continue as a going concern. Often, but not always, forward-looking statements and information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements or information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of Acreage or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including, but not limited to: the occurrence of changes in U.S. federal laws regarding the cultivation, distribution or possession of marijuana; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Floating Share Arrangement Agreement; the ability of Canopy, Canopy USA and Acreage to satisfy, in a timely manner, the closing conditions to the Floating Share Arrangement; risks relating to the value and liquidity of the Floating Shares and the common shares of Canopy; Canopy maintaining compliance with the Nasdaq and Toronto Stock Exchange listing requirements; the rights of the holders of Floating Shares may differ materially from those of shareholders in Canopy; expectations regarding future investment, growth and expansion of Acreage’s operations; the possibility of adverse U.S. or Canadian tax consequences upon completion of the Floating Share Arrangement; if Canopy USA acquires the Fixed Shares pursuant to the Fixed Share Arrangement Agreement without structural amendments to Canopy’s interest in Canopy USA, the listing of the Canopy Shares on the Nasdaq may be jeopardized; the risk of a change of control of either Canopy or Canopy USA; restrictions on Acreage’s ability to pursue certain business opportunities and other restrictions on Acreage’s business; the impact of material non-recurring expenses in connection with the Floating Share Arrangement on Acreage’s future results of operations, cash flows and financial condition; the possibility of securities class action or derivatives lawsuits; in the event that the Floating Share Arrangement is not completed, but the Fixed Share Acquisition is completed and Canopy becomes the majority shareholder in Acreage, the likelihood that the holders of Floating Shares will have little or no influence on the conduct of Acreage’s business and affairs; risk of situations in which the interests of Canopy USA and the interests of Acreage or shareholders of Canopy may differ; Acreage’s compliance with Acreage’s business plan for the fiscal years ending December 31, 2020 through December 31, 2029 pursuant to the Fixed Share Arrangement Agreement; in the event that the Floating Share Arrangement is completed, the likelihood of Canopy completing the Fixed Share Acquisition in accordance with the Fixed Share Arrangement Agreement; there is no certainty on the Exchange Ratio and, depending on timing of closing of the Acquisitions, if at all, and the potential for dilution in respect of the Offering, there may be further diminution of the Exchange Ratio, which will result in fewer Canopy Shares being received upon completion of the Acquisition (see “*Risk Factors - Risks Related to the Acquisition - Risks Associated with a*

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