

LOAN AND SECURITY AGREEMENT

BY AND BETWEEN

PELORUS FUND REIT, LLC,

AS LENDER,

AND

HARBORSIDE INC.,

AS BORROWER

DATED AS OF FEBRUARY 10, 2022

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	2
1.1 Defined Terms	2
1.2 Exhibits and Schedules	24
1.3 Principles of Construction.....	24
ARTICLE II THE LOAN	24
2.1 Loan	24
2.2 Use of Funds	26
2.3 Loan Fee; Exit Fee	27
2.4 Maturity Date	27
2.5 Intentionally Omitted.....	27
2.6 Effective Date; Closing Conditions	27
2.7 Interest on Loan	28
2.8 Loan Payments.....	29
2.9 Credit for Payments	29
2.10 Prepayment	29
2.11 Full Repayment and Reconveyance.....	32
2.12 Authorization	32
2.13 Recourse to Borrower	32
2.14 Increased Costs Generally.....	32
2.15 Taxes	33
2.16 Appointment of Servicer and Delegation of Lender Rights	36
2.17 Other Loans.....	36
2.18 Partial Release.....	37
ARTICLE III RESERVE ACCOUNTS	37
3.1 Establishment of Reserve Accounts.....	37
3.2 Intentionally Omitted.....	38
3.3 Intentionally Omitted.....	38
3.4 Intentionally Omitted.....	38
3.5 No Waiver or Approval by Reason of Loan Advances	38
3.6 Intentionally Omitted.....	39
3.7 No Third-Party Benefit	39
3.8 Intentionally Omitted.....	39
3.9 Intentionally Omitted.....	39
3.10 Reserve Accounts Generally.....	39
ARTICLE IV REPRESENTATIONS AND WARRANTIES	40
4.1 Organization; Power; Single Purpose Entity	40
4.2 Authority; Enforceability	40
4.3 Ownership of Borrower	40
4.4 No Conflict.....	40
4.5 Consents and Authorizations	41
4.6 Financial Information.....	41

4.7	Litigation; Adverse Effects; Condemnation	41
4.8	Payment of Taxes.....	42
4.9	Disclosure	42
4.10	Requirements of Law and Other Covenants	42
4.11	Merger Transaction and Property	43
4.12	Title to Assets; No Liens.....	43
4.13	Utilities.....	44
4.14	Leases.....	44
4.15	Affiliate Fees.....	44
4.16	Defects	44
4.17	Patriot Act and Related Matters	44
4.18	No Additional Liabilities of Borrower and/or Guarantors Not Previously Disclosed in Writing to Lender.....	45
4.19	ERISA.....	46
4.20	Investment Company Act; Public Utility Holding Company Act	46
4.21	Contracts	46
4.22	Solvency.....	47
4.23	Compliance with Law; Government Approvals	47
4.24	Use of Property	47
4.25	Use of Funds	47
4.26	Prohibited Persons	47
4.27	Cost Basis.....	47
ARTICLE V REPORTING COVENANTS		48
5.1	Financial Statements and Other Financial and Operating Information	48
5.2	Environmental Notices.....	50
ARTICLE VI OTHER COVENANTS.....		50
6.1	Existence.....	50
6.2	Compliance	50
6.3	Payment of Property Taxes, Assessments and Charges.....	51
6.4	Books and Records	51
6.5	Entry and Inspection	51
6.6	Use of Proceeds.....	52
6.7	Additional Liabilities	52
6.8	Leases.....	52
6.9	Limitations on Distributions and Repayment of Certain Indebtedness; Other Agreements in Respect of Permitted Specified Indebtedness.....	52
6.10	Subdivision Maps; Zoning; Joint Assessment	53
6.11	ERISA Compliance.....	53
6.12	Transfers	53
6.13	Liens.....	53
6.14	Special Purpose Entity	54
6.15	Fundamental Changes.....	54
6.16	Maintenance; Waste; Alterations.....	54
6.17	Material Contracts.....	55
6.18	Deferred Maintenance and Environmental Remediation.....	55

6.19	Cannabis Related Provisions.....	55
6.20	Prohibited Persons	56
6.21	Merger Transactions	56
6.22	Right of First Offer	56
ARTICLE VII INTENTIONALLY OMITTED.....		57
ARTICLE VIII INSURANCE; CASUALTY, CONDEMNATION AND RESTORATION ...		57
8.1	Title Insurance	57
8.2	Property Insurance	57
8.3	Liability Insurance	58
8.4	Umbrella or Excess Liability Insurance.....	58
8.5	Intentionally Omitted.....	58
8.6	General Insurance Requirements	58
8.7	Restoration Proceeds.....	59
8.8	Restoration	61
8.9	Disbursement	62
8.10	Change in Insurance Requirements	62
8.11	Notification of Loss	62
ARTICLE IX EVENTS OF DEFAULT AND REMEDIES		63
9.1	Events of Default	63
9.2	Remedies upon Default.....	65
9.3	Remedies Cumulative	65
9.4	Lender Appointed Attorney-In-Fact	66
9.5	Lender's Right to Perform	66
9.6	Affiliate Agreements.....	66
9.7	Borrower Cooperation	66
ARTICLE X SECONDARY MARKET TRANSACTIONS.....		67
10.1	General.....	67
10.2	Borrower Cooperation	68
10.3	Dissemination of Information.....	68
10.4	Securities Law Compliance	69
ARTICLE XI MISCELLANEOUS		69
11.1	Performance by Lender.....	69
11.2	Actions	69
11.3	Nonliability of Lender.....	70
11.4	No Third Parties Benefited	71
11.5	Indemnity	71
11.6	Binding Effect; Assignment.....	72
11.7	Counterparts; Electronic Signatures	72
11.8	Amendments; Waiver in Writing.....	72
11.9	Costs and Expenses.....	72
11.10	Survival.....	73
11.11	Notices	74

11.12	Further Assurances.....	74
11.13	Governing Law	74
11.14	Severability of Provisions	75
11.15	Headings	75
11.16	Time of the Essence; Delay Not a Waiver.....	75
11.17	Construction of Agreement.....	75
11.18	Brokers.....	75
11.19	Lender’s Discretion; Pelorus as Agent	75
11.20	Preferences.....	76
11.21	Waiver of Notice.....	76
11.22	Offsets, Counterclaims and Defenses	76
11.23	Waiver of Marshalling of Assets Defense	76
11.24	Governing Law; Submission to Jurisdiction; Waiver of Right to Trial by Jury..	76
11.25	Additional Cannabis Terms.	78
11.26	California Provisions	79

EXHIBITS AND SCHEDULES:

Exhibits:

- Exhibit A - Form of Disbursement Request
- Exhibit B - Definition of “Special Purpose Entity” and Related Defined Terms
- Exhibit C - Description of Vista Outparcel

Schedules:

- Schedule 1 - List of Loan Documents
- Schedule 2 - Borrower’s and Guarantors’ Indebtedness
- Schedule 2.6 - Conditions to Closing
- Schedule 4.3 - Borrower Organizational Chart
- Schedule 4.7 - Exceptions to Litigation and Related Representations
- Schedule 4.8 - Exceptions to Tax Representations
- Schedule 4.11 - Merger Transaction Documents
- Schedule 4.12 - Exceptions to Title Representations
- Schedule 4.14(a)-1 - Leases between Primary Pledged Entities
- Schedule 4.14(a)-2 - Reserved
- Schedule 4.15 - Affiliate Fees
- Schedule 4.18 - Permitted Specified Indebtedness
- Schedule 4.19 - Exceptions to ERISA Representations
- Schedule 4.21 - Material Contracts; Exceptions to Material Contract Representations
- Schedule 4.23 - Regulatory Licenses
- Schedule 6.9 - Permitted Repayment of Subordinated Indebtedness
- Schedule 6.12 - Permitted Transfers and Dispositions
- Schedule 6.18 - Required Deferred Maintenance and Environmental Remediation
- Schedule 10.1 - Borrower Competitor

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ARE SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER ANY STATE CANNABIS LAWS OR THE GUIDANCE OR INSTRUCTION OF THE REGULATOR. SECTION 11.26 OF THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH STATE CANNABIS LAWS AND THE REGULATOR. THE PARTIES UNDERSTAND THE REQUIREMENTS OF SECTION 11.26.

LOAN AND SECURITY AGREEMENT

THIS **LOAN AND SECURITY AGREEMENT** is made and entered into as of February 10, 2022, by and between **HARBORSIDE INC.**, an Ontario business corporation (“**Borrower**”), and **PELORUS FUND REIT, LLC**, a Delaware limited liability company (together with its successors and/or assigns, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower has requested that Lender provide Borrower with real estate secured financing in the amount of up to Forty Seven Million Four Hundred Five Thousand Three Hundred Eighty Six and 00/100 Dollars (\$47,405,386.00) to be available in two tranches as further specified herein (the “**Loan**”) to repay existing indebtedness, for working capital and other costs as more particularly described herein;

WHEREAS, simultaneously with the execution and delivery of this Agreement, Lender is making loans (each, an “**Other Loan**” and collectively, the “**Other Loans**”) to each of LPF JV Corporation, a California corporation (“**Loudpack**”) and UL Holdings, Inc., a California corporation (“**Urbn Leaf**”; Loudpack and Urbn Leaf are sometimes referred to herein individually as an “**Other Loan Borrower**” and collectively as the “**Other Loan Borrowers**”);

WHEREAS, pursuant to the Merger Agreements (as hereinafter defined), it is expected that each of Loudpack and Urbn Leaf will merge into Subsidiaries of Borrower and thereby become Subsidiaries of Borrower (the “**Merger Transactions**”);

WHEREAS, at the request of Borrower and the Other Loan Borrowers, the Loan and the Other Loans are being coordinated, and cross-defaulted and, following the closing of the Merger Transactions, cross-collateralized, as set forth herein and in the other Loan Documents and in the Other Loan Documents (as hereinafter defined); and

WHEREAS, Lender is willing to provide the Loan to Borrower on the terms and conditions contained in this Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the making of the Loan by Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth respectively after each:

“**Account**” means, collectively, the Reserve Accounts, together with any other accounts now or hereafter established by Borrower for the benefit of Lender hereto in connection with the Loan.

“**Accounting Standard**” means (a) for Borrower and Loudpack, IFRS for the reporting year 2022 and GAAP for reporting year 2023 and thereafter, and (b) for Urbn Leaf, GAAP.

“**ADA**” means the Americans with Disabilities Act, 42 U.S.C. §§ 12101, et seq., as the same may be hereafter amended or modified.

“**Adjusted EBITDA**” means, for any period, Net Income for such period *plus* (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period, (ii) income tax expense (including without limitation income taxes owing pursuant to Section 280(e) of the Code) for such period net of tax refunds, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) all costs, fees, expenses and other amounts attributable to the negotiation Merger Transactions and execution and delivery of the Merger Agreements and Loan Documents incurred within sixty days after the closing of each such transaction, (v) any reasonable, extraordinary non-cash charges for such period, (vi) any other reasonable non-cash charges for such period (but excluding any non-cash charge in respect of an item that was included in Net Income in a prior period and any non-cash charge that relates to the write-down or write-off of inventory), (vii) non-recurring litigation and arbitration costs, charges, fees and expenses (including payments of legal settlements, fines, judgments or orders), (viii) start-up or initial costs for any project or new production line, division or new line of business or other business optimization expenses, including, without limitation, costs or reserves associated with improvements to information technology functions, integration and facilities opening costs, costs relating to entry into a new state, project startup costs, costs relating to any strategic initiative or new operations and conversion costs and any business development, consulting or legal costs and fees relating to the foregoing, (ix) costs related to restructurings, including severance, recruiting, contract termination, relocation, integration, information technology investment, (x) non-cash fair value adjustments (whether increasing or decreasing, as the case may be), including those resulting from purchase accounting, to inventory sold and biological assets, including cannabis plants, measured at fair value less cost to sell up to the point of harvest *minus* (b) without duplication and to the extent included in Net Income, (i) any cash payments made during such period in respect of non-cash charges described in clause (a)(vi) taken in a prior period and (ii) any extraordinary gains and any non-cash items of income for such period, all calculated for Borrower and its Subsidiaries on a consolidated basis in accordance with the Accounting Standard.

“**Affiliate**” means (a) any Person which directly or indirectly, through one or more

intermediaries, controls, is controlled by, or is under common control with, Borrower or any Guarantor, (b) any Person, five percent (5%) or more of the equity interest of which is held beneficially or of record by Borrower or any Guarantor, (c) any partner or member in Borrower or any Guarantor, and (d) any Guarantor.

“**Affiliate Fees**” is defined in Section 6.17.

“**Agreement**” means this Loan Agreement.

“**Applicable Interest Rate**” has the meaning set forth in Section 2.7(d), as adjusted pursuant to this Agreement.

“**Appraisal**” means a written appraisal prepared by an MAI appraiser acceptable to Lender in its sole discretion and prepared in compliance with applicable regulatory requirements, including, without limitation, the Financial Institutions Recovery, Reform and Enforcement Act of 1989, as amended from time to time, and subject to Lender’s customary independent appraisal requirements.

“**Approved Annual Budget**” means the annual operating budget for the Borrower and its Subsidiaries approved by Lender as required under Section 5.1(d), as amended from time to time in accordance with this Agreement.

“**Bankruptcy Action**” means with respect to any Person (a) such Person filing a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (b) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (c) such Person filing an answer consenting to or otherwise colluding or acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (d) the appointment of a custodian, receiver, trustee, or examiner for such Person or any portion of the Property; (e) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due; or (f) such Person commencing (or have commenced against it) a proceeding for the dissolution or liquidation of it.

“**Bankruptcy Code**” means the Bankruptcy Reform Act of 1978, 11 U.S.C. §101-1330, as the same may be hereafter amended or modified.

“**Bay Park Leases**” means (a) that certain AIR Commercial Real Estate Association Standard Industrial/Commercial Multi-Tenant Lease - Net dated as of October 1, 2016 and amended as of December 15, 2017, November 3, 2020 and October 1, 2021 between Buenos, LLC, a California limited liability company as landlord and Bay Park Tenant (as successor in interest to Willie Frank Senn, an individual) as tenant with respect to office, retail and certain warehouse space at the Bay Park Property, and (b) that certain AIR Commercial Real Estate Association Standard Industrial/Commercial Multi-Tenant Lease - Net dated as of December 1, 2017 and amended as of October 1, 2021 between Buenos, LLC, a California limited liability company as landlord and Bay Park Tenant (as successor in interest to Willie Frank Senn, an individual) as tenant with respect to certain warehouse space at the Bay Park Property.

“**Bay Park Property**” means the Property located at 1028 Buenos Avenue, San Diego, California.

“**Bay Park Tenant**” means ULBP Inc., a California corporation.

“**Borrower**” is defined in the opening paragraph of this Agreement.

“**Borrower Competitor**” means the entities set forth in **Schedule 10.1**.

“**Business Day**” means any day, other than a Saturday, Sunday or any other day on which the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business or which is a day on which banking institutions located in the State are required or authorized by law or other governmental action to close.

“**Cannabis Business**” shall mean the business of acquiring, cultivating, manufacturing extracting, testing, producing, processing, possessing, selling (at retail or wholesale), dispensing, donating, distributing, transporting, packaging, labeling, marketing or disposing of cannabis, marijuana or related substances or products containing or relating to the same, and all ancillary activities related to the foregoing, including leasing any real property on which any such activity is conducted.

“**Capital Lease Obligations**” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under the Accounting Standard, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with the Accounting Standard.

“**Cash Management Account**” is defined in Section 3.1(b).

“**Cash Management Period**” means any period (a) during the existence of an Event of Default under Section 9.1(a), (b) following the acceleration of the Loan or the commencement of any enforcement of any remedies of Lender during the continuance of an Event of Default, including but not limited to any foreclosure of any Collateral, or (c) commencing on any Measurement Date following the first full calendar quarter after the occurrence of the first anniversary of the date on which both Merger Transactions have closed if the Debt Service Coverage Ratio has declined below 1:50:1.00. A Cash Management Period shall end (i) upon the Debt Service Coverage Ratio being no less than 1.50:1.00 for each of two (2) consecutive calendar quarters or (ii) upon the prepayment of principal to Lender by Borrower causing the Debt Service Coverage Ratio at such time to be no less than 1.50:1.00.

“**Casualty**” is defined in Section 8.7(a).

“**Casualty Retainage**” is defined in Section 8.7(a).

“**Change in Cannabis Law**” shall mean any adverse change after the Effective Date in Federal Cannabis Laws or State Cannabis Laws, or the application or interpretation thereof by any Governmental Authority, (a) that would make it unlawful for Lender to (i) continue to be

a party to any Loan Document, (ii) perform any of its obligations under any Loan Document, or (iii) to fund or maintain the Loan, (b) pursuant to which any Governmental Authority has enjoined any Lender from (i) continuing to be a party to any Loan Document, (ii) performing any of its obligations under any Loan Document, or (iii) funding or maintaining the Loans, (c) pursuant to which any Governmental Authority requires (i) confidential information from or disclosure of confidential information about Lender or its Affiliate or any investor therein, or (ii) Lender to obtain any license, permit, or other authorization to, in each case, (A) continue to be a party to any Loan Document, (B) perform any of its obligations under any Loan Document, or (C) to fund or maintain the Loans, or (d) that would impair the Lender's ability to foreclose upon or otherwise deal with the Collateral.

“**Code**” means the Internal Revenue Code of 1986, as the same may be hereafter amended or modified.

“**Collateral**” means, collectively, the Property, the interests of the Pledgors-Harborside in the Primary Pledged Entities, all assets of the Primary Pledged Entities and any other real or personal property in or upon which a Lien is granted in favor of Lender, or as to which an assignment for security purposes is made in favor of Lender, pursuant to this Agreement or the other Loan Documents. For the avoidance of doubt, (a) the Collateral shall not include any Excluded Asset and (b) from and after the Merger Effective Date, the Collateral shall include all collateral securing the Other Loans.

“**Condemnation Proceeds**” is defined in Section 8.7(a).

“**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.

“**control**” means the possession, directly or indirectly, of the power to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, family relationship or otherwise; and the terms “**controls**”, “**controlling**” and “**controlled**” have the meanings correlative to the foregoing.

“**Debt**” means the outstanding principal balance of the Loan, together with all interest accrued and unpaid thereon and all other sums due from Borrower under the Loan Documents.

“**Debt Service**” as of any date, means the interest due on the outstanding principal balance of the Loan, as of such date, at the Applicable Interest Rate in effect as of such date.

“**Debt Service Coverage Ratio**” means the ratio of the Adjusted EBITDA to Deemed Debt Service, as determined by Lender in its sole but good faith discretion for the period in question. Debt Service Coverage Ratio shall be determined on each Measurement Date with respect to the 12-month period ending on the last day of the immediately preceding calendar quarter.

“**Debt Service Reserve Account**” is defined in Section 3.1(a).

“Deemed Debt Service” means, as of any date, interest that would be due on the outstanding principal balance of the Loan, as of such date, at the Applicable Interest Rate in effect as of such date, for one full year.

“Default” means a condition or event which has occurred and which, after notice or lapse of time, or both, would constitute an Event of Default if that condition or event were not cured within any applicable cure period.

“Default Interest Rate” means a rate per annum equal to eighteen percent (18.0%), or if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected from Borrower under applicable law.

“Effective Date” is defined in Section 2.6.

“Embargoed Person” means any Person subject to trade restrictions under any Federal Trade Embargo.

“Environmental Indemnity Agreement” means that certain Environmental Indemnity Agreement executed and delivered by Borrower and Guarantor collectively and jointly and severally in favor of Lender pursuant to this Agreement.

“Equity Interests” means (a) partnership interests (general or limited) in a partnership; (b) membership interests in a limited liability company; (c) shares or stock interests in a corporation; and (d) the beneficial ownership interests in a trust.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended or re-codified from time to time, and the regulations promulgated thereunder.

“ERISA Affiliate” is defined in Section 4.19.

“Event of Default” means each of those events so designated in Section 9.1.

“Excess Cash Flow” means, for any period, gross revenues, which includes but is not limited to all sales of cannabis and cannabis products less adjustments for (i) sales discounts, (ii) sales allowances, (iii) sales refunds, (iv) adjustments for loyalty program and other accounting accruals as required under the Accounting Standard, and (v) any cultivation, sales, excise and/or municipal taxes required to be collected and remitted to federal, state or local governments; less (a) operating expenses, which includes all costs used to compute operating income (loss) as presented in the company’s publicly issued financial statements (not including Debt Service but including the amortization payments required pursuant to Section 2.10(a)), interest expenses related to leases, taxes and other debt payments, and capital expenditures incurred in accordance with the applicable Approved Annual Budget and (b) extraordinary operating expenses incurred but not included in such Approved Annual Budget and approved by Lender in its reasonable discretion and (c) Deemed Debt Service, in each case as calculated for Borrower and all of its Subsidiaries, on a consolidated basis (without duplication). All of the foregoing shall be interpreted and calculated in accordance with the Accounting Standard.

“Excluded Assets” means any asset or property in which Lender is prohibited from

taking, or Borrower or Guarantor is prohibited from granting, a security interest in or to pursuant to the express provisions of any State Cannabis Law or any other Legal Requirement; provided, however, “Excluded Assets” shall not include (i) such assets or property to the extent any such prohibition would be rendered ineffective under applicable law or principles of equity, and (ii) the proceeds of any such assets or property (including proceeds from the sale, license, lease or other disposition thereof), and provided further, upon such prohibition ceasing to exist, including pursuant to an approval or consent from the applicable Governmental Authority, such assets and property shall automatically no longer be considered “Excluded Assets” and shall become part of the Collateral.

“**Excluded Taxes**” means any of the following Taxes imposed on or with respect to a Lender or required to be withheld or deducted from a payment to a Lender, (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 Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.15, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Lender’s failure to comply with Section 2.15(e), (d) any withholding Taxes imposed under FATCA, and (e) Canadian federal withholding Taxes imposed upon the Lender as a result of (i) the Lender (or beneficial holder of the Loan) not dealing at “arm’s length” (within the meaning of the Income Tax Act (Canada)), with the Borrower, or (ii) the Lender being a “specified shareholder” (within the meaning of subsection 18(5) of the Income Tax Act (Canada)) of the Borrower or not dealing at “arm’s length”(within the meaning of the Income Tax Act (Canada)) with a “specified shareholder” (within the meaning of subsection 18(5) of the Income Tax Act (Canada)) of the Borrower, except, in the case of (i) or (ii), where the non-arm’s length relationship arises, or where the Lender is (or is deemed to be) a specified non-resident shareholder of the Borrower or does not deal at arm’s length with a specified shareholder of the Borrower, on account of the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced this Agreement or any other Loan Document.

“**Exit Fee**” is defined in Section 2.3(b).

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (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, any agreement entered into pursuant to Section 1471(b)(1) of the Code 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 Code.

“Federal Cannabis Law” shall mean any federal Legal Requirement as such relates, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another’s felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

“Federal Trade Embargo” means any federal law imposing trade restrictions, including (i) the 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), (ii) the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq., as amended), (iii) any enabling legislation or executive order relating to the foregoing, (iv) Executive Order 13224, and (v) the PATRIOT Act.

“Financing Statements” means the UCC-1 financing statements evidencing Lender’s security interest in the Personal Property, one of which will be filed with the Secretary of State of the State of Delaware and the other of which will be recorded in the Official Records.

“Fiscal Year” means the twelve (12)-month period ending on December 31 of each year or such other fiscal year of Borrower as Borrower may select from time to time with the prior written consent of Lender, such consent not to be unreasonably withheld.

“Force Majeure Event” means strikes, lock-outs, war, civil disturbance, natural disaster, acts of terrorism or acts of God or other matters beyond the control of a Person (including, without limitation, the failure of any other party hereto to timely perform its obligations under, or provide notice within the timeframes specified in, any of the Loan Documents) which cause a delay in such Person’s performance of its obligations or exercise of its rights under the Loan Documents. An event will be deemed a “Force Majeure Event” only if: (i) Borrower delivers to Lender within a reasonable period after the commencement of any such circumstance (not to exceed ten (10) days), written notice of such claimed Force Majeure Event, (ii) irrespective of the actual duration of any such circumstance, the maximum aggregate delay permitted pursuant to this Agreement based upon a Force Majeure Event (whether caused by one or multiple incidents) shall be ninety (90) days, and (iii) inadequate funding availability or capability on the part of Borrower shall not be deemed a Force Majeure Event.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accounts and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances

as of the date of determination.

“Government Approval” means any action, authorization, consent, approval, license, lease, ruling, permit, certification, exemption, filing or registration by or with any Governmental Authority, including all licenses, permits, allocations, authorizations, approvals and certificates obtained by or in the name of, or assigned to, Borrower and used in connection with the ownership, construction, operation, use or occupancy of the Property, including building permits, zoning and planning approvals, business licenses, licenses to conduct business, certificates of occupancy and all such other permits, licenses and rights.

“Governmental Authority” means any national, federal, state, provincial, regional or local government, or any other political subdivision of any of the foregoing, in each case with jurisdiction over Borrower, the Property, or any Person with jurisdiction over Borrower or the Property exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Government Lists” is defined in Section 4.17(b).

“Guarantor” or **“Indemnitor”** individually and collectively and jointly and severally means the Pledgors-Harborside and the Pledged Entities-Harborside and, from and after the Merger Effective Date, the Pledgor-Loudpack, the Pledged Entities-Loudpack, the Pledgors Urbn Leaf and the Pledged Entities-Urbn Leaf, and any other Person guaranteeing any of Borrower’s Obligations under this Agreement or the other Loan Documents.

“Hazardous Materials” means oil; flammable explosives; asbestos; urea formaldehyde insulation; radioactive materials; fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including, without limitation, mold, mildew, and viruses, whether or not living; any substance that is then defined or listed in, or otherwise classified or regulated pursuant to, any Hazardous Materials Laws as a “hazardous substance”, “hazardous material”, “hazardous waste,” “infectious waste,” “toxic substance,” “toxic pollutant,” “pollutant,” “contaminant” or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or “EP toxicity”; (iii) gasoline and any other petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; and/or (iv) petroleum products, polychlorinated biphenyls, per- and polyflouroalkyl substances (PFAS), urea formaldehyde, radon gas, radioactive matter, lead and lead based paint, medical waste, fugitive dust emissions, and toxic mold and other harmful biological agents. “Hazardous Materials” shall not include commercially reasonable amounts of such materials used in the ordinary course of operation of the Property which are used and stored at all times in accordance with all then applicable Hazardous Materials Laws.

“Hazardous Materials Laws” collectively means and includes all present and future federal, state and local laws and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits, and other requirements or guidelines of governmental authorities applicable to the Property and relating to health and safety, the environment and environmental conditions or to any Hazardous Materials or any activity relating thereto (including, without limitation, CERCLA, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. §

6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601-2692, the California Waste Quality Improvement Act and California Health and Safety Code §§ 25117 and 25316, the Carpenter-Presley-Turner Hazardous Substance Account Act, California Health and Safety Code § 25300 et seq., the Hazardous Waste Control Act, California Health and Safety Code § 25100, et seq., the Medical Waste Management Act, California Health and Safety Code § 25105, et seq., the Porter-Cologne Water Quality Control Act, California Water Code § 13000, et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25219.5-25249.13, the Underground Storage of Hazardous Substances Act, California Health and Safety Code § 25280-25299.8, the Safe Drinking Water Act, 42 U.S.C. § 300f-300j, the Emergency Planning and Community Right To Know Act, 42 U.S.C. § 11001, et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, the Endangered Species Act, the National Environmental Policy Act, the River and Harbors Appropriation Act, and any so called “Super Fund” or “Super Lien” law, environmental laws administered by the United States Environmental Protection Agency, any similar state and local laws, regulations and guidelines, as well as the regulations and guidelines of the Department of Housing and Urban Development, the Occupational Safety and Health Administration, the California Department of Toxic Substances Control and any Regional Water Quality Control Board with jurisdiction and all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder).

“**Hillside Lease**” means that certain AIRCR Standard Industrial/Commercial Single-Tenant Lease-Net dated as of March 12, 2020 between 7901 Hillside LLC, a California limited liability company, as landlord and Bay Park Tenant as tenant with respect to the property located at 7901 Hillside Drive, La Mesa, California 91942.

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board, which are applicable to the circumstances as of the date of determination.

“**Improvements**” means all improvements and fixtures now or hereafter located on the Real Property.

“**Indebtedness**” of a Person, at a particular date, shall mean the sum (without duplication) at such date of (a) all indebtedness or liability of such Person (including, without limitation, amounts for borrowed money and indebtedness in the form of mezzanine debt or preferred equity); (b) obligations evidenced by bonds, debentures, notes, or other similar instruments; (c) obligations for the deferred purchase price of property or services (including trade obligations); (d) obligations under letters of credit; (e) obligations under acceptance facilities; (f) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds, to invest in any Person or entity, or otherwise to assure a creditor against loss; (g) obligations under PACE Loans, and (h) obligations secured by any Liens, whether or not the obligations have been assumed (other than the Permitted Encumbrances).

“**Indemnified Party**” means each of Lender, each of its affiliates and their

respective successors and assigns, any Person who is or will have been involved with the servicing of the Loan, Persons who may hold or acquire or will have held a full or partial interest in the Loan (including Investors, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) (including any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan or the collateral therefor), and the respective officers, directors, and employees, agents, affiliates, successors and assigns of any and all of the foregoing.

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

“**Insurance Premiums**” means all premiums payable in respect of the insurance policies required hereunder.

“**Insurance Proceeds**” is defined in Section 8.7.

“**Interest Expense**” means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptances and net costs under Swap Agreements in respect of interest rates, to the extent such net costs are allocable to such period in accordance with the Accounting Standard), calculated for Borrower and its Subsidiaries on a consolidated basis for such period in accordance with the Accounting Standard.

“**Interest Period**” means (a) the period from the date of the initial advance under the Note through last day of the calendar month in which the initial advance occurs, and (b) each period thereafter from the first (1st) day of each calendar month through the last day of each calendar month; except that the Interest Period, if any, that would otherwise commence before and end after the Maturity Date shall end on the Maturity Date. Notwithstanding the foregoing, if Lender shall have elected to change the date on which scheduled payments under the Loan are due, as described in the definition of “Payment Date”, from and after the effective date of such election, each Interest Period shall commence on the day of each month in which occurs such changed Payment Date and end on the day immediately preceding the following Payment Date, as so changed.

“**Investor**” and “**Investors**” have the meaning given to such term in Section 10.3.

“**IRS**” means the United States Internal Revenue Service.

“**Late Payment Charge**” is defined in Section 2.7(c).

“**Lease**” means any lease and other agreements or arrangements affecting the use or occupancy of all or any portion of the Property now in effect or hereafter entered into (including all lettings, subleases, licenses, concessions, tenancies and other occupancy agreements covering or encumbering all or any portion of the Property), together with any guarantee, supplement, amendment, modification, extension and/or renewal of the same.

“**Legal Requirements**” means (a) all statutes, laws (including, without limitation, Hazardous Materials Laws and State Cannabis Laws), rules, rule of common law, orders, regulations, ordinances, judgments, orders, decrees and injunctions of Governmental Authorities, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended (including any thereof pertaining to land use, zoning and building ordinances and codes applicable to the Property) affecting Borrower, the Loan Documents, the Property or any part thereof, and all permits and regulations relating thereto, (b) all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting the Property or any part thereof, (c) terms of any insurance Policy maintained by or on behalf of Borrower, and (d) the organizational documents of Borrower.

“**Lender**” individually and collectively means Pelorus, and each of its successors and/or assigns.

“**Liabilities and Costs**” means any losses, actual damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities (including strict liabilities), obligations, debts, diminutions in value, fines, penalties, charges, costs of Remediation (whether or not performed voluntarily), amounts paid in settlement, foreseeable and unforeseeable consequential damages, litigation costs, reasonable attorneys’ fees, engineers’ fees, environmental consultants’ fees, and investigation costs (including costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings, actions, claims, suits, judgments or awards.

“**Lien**” means any mortgage, deed of trust, deed to secure debt, lien, pledge, easement, restrictive covenant, hypothecation, assignment, security interest, PACE Loan, conditional sale or other title retention agreement, financing lease having substantially the same economic effect as any of the foregoing, or financing statement or similar instrument.

“**Loan**” is defined in the Recitals.

“**Loan Documents**” means, collectively, this Agreement and all other documents, agreements, instruments and certificates now or hereafter evidencing, securing or delivered to Lender in connection with the Loan, including the documents listed on **Schedule 1** attached hereto and, from and after the Merger Effective Date, the documents and instruments to be delivered pursuant to Section 2.17, as each may be (and each of the defined terms shall refer to such documents as they may be) amended, restated, or otherwise modified from time to time.

“**Loan Fee**” is defined in Section 2.3(a).

“**Loudpack**” is defined in the Recitals.

“**Loudpack Debentures**” means the debentures issued pursuant to the Master Debenture Supplement Agreement, dated as of November 30, 2020, by and among Loudpack, Acquiom Agency Services LLC, in its capacity as Administrative Agent and Acquiom Agency

Services LLC, in its capacity as Collateral Agent.

“Loudpack Subordination Agreement” means that certain Subordination and Intercreditor Agreement among Acquiom Agency Services LLC, in its capacity as Administrative Agent and Acquiom Agency Services LLC, in its capacity as Collateral Agent, Lender, Loudpack, Borrower and Urbn Leaf, dated as of the Effective Date, as the same may be amended, restated, modified or supplemented from time to time.

“Major Lease” means any Lease affecting the retail building that forms a part of the San Ysidro Property of 7,000 square feet or more.

“Material Adverse Effect” means, as applicable, a material adverse effect upon (a) the business or financial position or results of operation of Borrower or any Guarantor, (b) the ability of Borrower or Guarantor to perform, or of Lender to enforce, any of the Loan Documents, or (c) the value of the Collateral.

“Material Contract” is defined in Section 4.21.

“Maturity Date” means the Original Maturity Date.

“Measurement Date” means the thirtieth (30th) day of each January, April, July and October commencing in July 2022.

“Members” means the direct or indirect holders of Equity Interests in the Borrower.

“Merger Agreements” means the Agreement of Plan and Merger and Reorganization, dated November 29, 2021, by and among Harborside Inc., Saturn Merger Sub, Inc., UL Holdings, Inc., and Momentum Capital Group LLC, solely in its capacity as the representative of the shareholders of UL Holdings, Inc. and the Agreement of Plan and Merger and Reorganization, dated November 29, 2021, by and among Harborside Inc., LPF Merger Sub, Inc., LPF JV Corporation, and LPF Holdco, LLC.

“Merger Effective Date” is defined in Section 2.17.

“Merger Termination Date” means the date that either of the Merger Agreements is terminated for any reason.

“Merger Transactions” is defined in the Recitals.

“Minimum Interest Payment” is defined in Section 2.10(b).

“Net Income” means, for any period, the consolidated net income (or loss) determined for Borrower and its Subsidiaries, on a consolidated basis in accordance with the Accounting Standard.

“Net Restoration Proceeds” is defined in Section 8.7(a).

“**Note**” and “**Notes**” means that certain Secured Promissory Note, dated as of the Effective Date, made by Borrower to Lender to evidence the Loan, as such note may be replaced by multiple Notes or divided into multiple Note components and as otherwise assigned (in whole or in part), amended, restated, replaced, supplemented or otherwise modified.

“**Obligations**” means collectively, Borrower’s obligations for the payment of the Debt and the performance of all obligations of Borrower contained in the Loan Documents.

“**OFAC**” is defined in Section 4.17(a).

“**Official Records**” means, with respect to each individual Property, the real estate recording records of the county in which such Property is located.

“**Original Maturity Date**” means the earlier to occur of (a) February 10, 2027, or (b) the first anniversary of the Merger Termination Date.

“**Other Connection Taxes**” means, with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender 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 Loan(s)**” is defined in the Recitals.

“**Other Loan Borrower(s)**” is defined in the Recitals.

“**Other Loan Documents**” means, collectively, all documents, agreements, instruments and certificates now or hereafter evidencing, securing or delivered to Lender in connection with the Other Loans, as each may be (and each of the defined terms shall refer to such documents as they may be) amended, restated, or otherwise modified from time to time.

“**Other Loan Guarantors**” means Pledgor-Loudpack, the Pledged Entities-Loudpack, Pledged Entities-Urbn Leaf and Pledgor-Urbn Leaf.

“**Other Loan-UL**” means the Other Loan made to Urbn Leaf.

“**Other Pledge Agreements**” means those certain Pledge Agreements executed and delivered by Pledgor-Loudpack and Pledgor-Urbn Leaf in favor of Lender pursuant to this Agreement which encumbers all of each such pledgor’s right, title and interest in and to the Other Pledged Entities, as the same may be amended, restated, modified or supplemented from time to time.

“**Other Pledged Entities**” means each of the Pledged Entities-Loudpack and the Pledged Entities-Urbn Leaf.

“**Other Property**” means the “Property” as described and defined in each of the Other Security Instruments.

“**Other Property Owners**” means each of the Property Owners-Loudpack and the Property Owners -Urbn Leaf.

“**Other Security Instrument(s)**” means each Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed and delivered by the Other Property Owners in favor of Lender pursuant to this Agreement which encumbers all of Borrower’s right, title and interest in and to the Property, as the same may be amended, restated, modified or supplemented from time to time.

“**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.

“**PACE Loan**” means any (a) ”Property-Assessed Clean Energy loan,” or (b) other indebtedness, without regard to the name given to such indebtedness, that is (i) incurred for improvements to the Property for the purpose of increasing energy efficiency, increasing use of renewable energy sources, resource conservation or a combination of the foregoing, and (ii) repaid through multi-year assessments against the Property.

“**Participant Register**” is defined in Section 10.1(b).

“**Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as the same may be amended from time to time, and corresponding provisions of future Legal Requirements.

“**Patriot Act Offense**” is defined in Section 4.17(a).

“**Payment Date**” means the first (1st) Business Day of the first calendar month following the date of the Note, and on the first (1st) Business Day of each calendar month thereafter until the Maturity Date, provided that, if the Loan is funded on a date which is within the last five (5) days of a calendar month, then Borrower’s first monthly interest payment shall be on the first (1st) day of the second (2nd) calendar month following the date of the Note.

“**Payment Guaranty**” means that certain Guaranty of Payment and Performance executed and delivered by Guarantor in favor of Lender pursuant to this Agreement, as the same may be amended, restated, modified or supplemented from time to time.

“**Pelorus**” individually and collectively means Pelorus Fund REIT, LLC, a Delaware limited liability company, and its successors and/or assigns.

“**Permitted Additional Indebtedness**” means Indebtedness not otherwise described in the definition of Permitted Indebtedness in an amount not to exceed Ten Million Dollars (\$10,000,000.00) in the aggregate, provided that (a) no such Indebtedness shall be secured, directly or indirectly, by any Collateral or obligate any Guarantor, any other Loan Borrower or any guarantor of any Other Loan in any way with respect to or in connection with such Indebtedness

(it being understood that any pledge or assignment or similar transfer of any direct or indirect interest in any Person that has a direct or indirect interest in any Guarantor or Primary Pledged Entity, Other Pledged Entity or any other Collateral shall be prohibited by this clause (a)), (b) if such Indebtedness is borrowed or guaranteed by Borrower, or Borrower is otherwise obligated in any way with respect to such Indebtedness, then (i) such Indebtedness shall be fully and completely subordinated to the Loan in Lien priority and all other respects pursuant to a subordination agreement acceptable to Lender in its sole but good faith discretion, (b) payments of interest and principal in respect of such Indebtedness shall be permitted only if and so long as no Event of Default exists and (c) Lender shall have been given the right of first offer to provide such Indebtedness in accordance with Section 6.22.

“Permitted Encumbrances” means, with respect to the Collateral, collectively, (a) the Liens created by the Loan Documents, (b) all Liens created in respect of the Permitted Specified Indebtedness or Permitted Refinancing Indebtedness to the extent such Liens are in effect with respect to the applicable Permitted Specified Indebtedness as of the Effective Date or otherwise approved by Lender in writing, (c) all Liens and other matters and/or exceptions disclosed or otherwise shown in the Title Policy, (d) Liens, if any, for Taxes imposed by any Governmental Authority (including assessed federal income tax) not yet delinquent or which are contested in compliance with Section 6.3, or with respect to Permitted Tax Liens, (e) Liens which are mechanic’s liens (or claims of mechanic’s liens) or stop notices (or claims of stop notices) which are contested or discharged in compliance with Section 6.13, (f) Liens or claims of Lien (which are not mechanic’s liens or stop notices) which are contested or discharged in compliance with Section 6.13, and (g) deposits or pledges made pursuant to any Legal Requirement in connection with, or to secure payment or performance of workers’ compensation, unemployment insurance, pensions or other social security obligations or other forms of governmental insurance of benefits, (h) Liens on equipment arising from precautionary UCC financing statements regarding operating leases of personal property, (i) Liens of landlords, carriers, warehousemen and bailees arising in the ordinary course of business, the effect of which would not be to have a Material Adverse Effect either individually or in the aggregate, (j) Liens in favor of Lender, (k) Liens securing the refinancing of Permitted Indebtedness to the extent described in clause (b) above, and (l) such governmental, public utility and private restrictions, covenants, reservations, easements, licenses or other agreements which may be imposed upon or granted by Borrower after the Effective Date which do not have a Material Adverse Effect and which have been approved by Lender, such approval not to be unreasonably withheld.

“Permitted Indebtedness” means (a) in the case of Borrower, (i) the Debt, (ii) the Permitted Specified Indebtedness, (iii) Permitted Additional Indebtedness, and (iv) Permitted Refinancing Indebtedness; (b) in the case of Borrower and the Guarantors collectively, unsecured debt related to the factoring of receivables and inventory purchase financing, in amounts not to exceed ten percent (10.0%) of the annual gross revenue of Borrower and Guarantors, which liabilities are not evidenced by a note and are paid when due; and (c) in the case of Borrower and each Guarantor (i) current liabilities incurred in the ordinary course of business including as incurred through the obtaining of credit and for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services, which liabilities are not due more than one hundred twenty (120) days past the date incurred, are not evidenced by a note, and are paid when due, (ii) claims for labor, materials and supplies provided to Borrower or a Guarantor which liabilities are not due more than one hundred twenty (120) days

past the date incurred, are not evidenced by a note, and are paid when due unless the same are contested or discharged in compliance with Section 6.13, (iii) Permitted Tax Indebtedness, (iv) to the extent constituting debt, debt in respect of taxes paid pursuant to a CDTPA payment plan or similar program, which liabilities are paid when due, (v) debt owed to trade vendors, in the amount of the cost of inventory then held on consignment from such trade vendors, which liabilities are paid when due, (vi) contingent liabilities arising with respect to customary indemnification obligations, adjustment of purchase price, consulting, deferred compensation and similar obligations incurred in the ordinary course of business, (vii) debt in respect of netting services, overdraft protections and otherwise in connection with deposit accounts, (viii) debt incurred in the ordinary course of business under worker's compensation bonds, appeal bonds, performance bonds, surety bonds, statutory bonds, or similar obligations, which liabilities are not evidenced by a note and are paid when due, (ix) debt consisting of take-or-pay contracts in the ordinary course of business, which liabilities are not evidenced by a note and are paid when due, (x) debt incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards") or other similar cash management services, in each case, incurred in the ordinary course of business which liabilities are not due more than one hundred twenty (120) days past the date incurred, are not evidenced by a note, and are paid when due.

"Permitted Refinancing Indebtedness" means any extension of maturity, refinancing, exchange, replacement, substitution or modification of the terms of any Permitted Specified Indebtedness, provided that (a) no Permitted Refinancing Indebtedness shall have greater guarantees or security than the debt being extended, refinanced, exchanged, replaced, substituted or modified, (b) if the debt that is extended, refinanced, exchanged, replaced, substituted or modified was secured, such Permitted Refinancing Indebtedness shall be secured by substantially the same or less collateral as secured such extended, refinanced, exchanged, replaced, substituted or modified debt, (c) the principal amount of such Permitted Refinancing Indebtedness shall not be greater than the debt that is extended, refinanced, exchanged, replaced, substituted or modified except to the extent the same constitutes Permitted Additional Indebtedness; (d) neither Borrower, any Other Loan Borrower, any Guarantor or any guarantor of any Other Loan shall guaranty or otherwise be liable for any such Permitted Refinancing Indebtedness unless, and then only to the same or lesser extent, than was the case as of the Effective Date under the corresponding terms (if any) of the debt being extended, refinanced, exchanged, replaced, substituted or modified, (e) such Permitted Refinancing Indebtedness does not require any scheduled payment of principal, mandatory repayment, redemption or repurchase of such debt prior to the date that is one year after the Maturity Date; provided, however that any Permitted Refinancing Indebtedness in respect of the Series A Indebtedness may have a maturity date at or any time after the third anniversary of the Effective Date, (f) with respect to the Loudpack Debentures or any other Permitted Indebtedness subject to any subordination, intercreditor or other agreement between Lender and the lender or lenders thereof (or an agent therefor), a replacement agreement substantially in the form of the prior agreement or otherwise on terms acceptable to Lender in its sole discretion is entered into by the new lender(s) or its/their agent and Lender with respect to such Permitted Refinancing Indebtedness and (g) with respect to any refinancing, exchange, replacement, substitution or modification of any debt with any new lender or lenders, Lender shall have been given the right of first offer with respect thereto in accordance with Section 6.22.

"Permitted Specified Indebtedness" means the Indebtedness described on

Schedule 4.18 attached hereto.

“Permitted Tax Indebtedness” means Indebtedness in respect of income taxes payable pursuant to 26 US Code Section 280e or any similar law for tax years 2021 and earlier provided that (a) no Property Owners-Harborside, Property Owners-Loudpack or Property Owners-Urbn Leaf are primarily or secondarily liable for any such Indebtedness, (b) if Borrower or its applicable Subsidiary have entered into any payment plan with respect thereto, Borrower or such Subsidiary is in full compliance with such payment plan and (c) Borrower and its Subsidiaries have each paid or disputed in accordance with applicable taxing authority rules and regulations, all amounts in respect of such taxes for tax years 2022 and later as Borrower’s auditors shall have recommended and no Liens shall have been filed with respect to any such tax years.

“Permitted Tax Liens” means federal tax Liens relating to income taxes payable pursuant to 26 US Code Section 280e or any similar law for tax years 2021 or earlier provided that (a) no such Liens affect any of the Property or any Property Owners-Harborside, Property Owners-Loudpack or Property Owners-Urbn-Leaf, (b) such tax Liens shall not have been sold to a third Person, (c) no affirmative action has been taken to enforce or foreclose any such Liens and (d) if such tax Liens are in excess of Five Hundred Thousand Dollars: (i) if Borrower or its applicable Subsidiary have entered into any payment plan with respect thereto, Borrower or such Subsidiary is in full compliance with such payment plan, (ii) Borrower and its Subsidiaries have each paid or disputed in accordance with applicable taxing authority rules and regulations, all amounts in respect of such taxes for tax years 2022 and later as Borrower’s auditors shall have recommended and (iii) Borrower or its applicable Subsidiaries shall have established adequate reserves therefor on the applicable financial statements in accordance with the Accounting Standard or are contesting such Liens in accordance with Section 6.13.

“Person” means any individual, corporation, partnership, limited liability company, trust, unincorporated organization or other entity, and any Governmental Authority.

“Personal Property” means any tangible and intangible personal property of Borrower in which Lender shall be granted a Lien pursuant to the Security Instrument or any other Loan Document.

“Pledge Agreement” means that certain Pledge Agreement executed and delivered by the Pledgors-Harborside in favor of Lender pursuant to this Agreement which encumbers all of each such pledgor’s right, title and interest in and to the Primary Pledged Entities, as the same may be amended, restated, modified or supplemented from time to time.

“Pledged Entities-Harborside” means each of Encinal Productions RE LLC, FLRish Farms Cultivation 2, LLC, Accucanna RE LLC, and Accucanna LLC, each a California limited liability company.

“Pledged Entities-Loudpack” means each of Greenfield Prop Owner LLC, Greenfield Prop Owner II, LLC, each a Delaware corporation, and Greenfield Oragnix and Redhunt Corporation, each a California corporation.

“Pledged Entities-Urbn Leaf” means each of 658 San Ysidro Blvd LLC and 909 West Vista Way LLC, each a California limited liability company, and ULBP Inc., a California

corporation.

“**Pledgor-Loudpack**” means Loudpack.

“**Pledgor-Urbn Leaf**” means Urbn Leaf.

“**Pledgors-Harborside**” means each of Savature Inc., Patients Mutual Assistance Collective Corporation, FLRsh, Inc., and Accucanna Holdings, Inc. each a corporation.

“**Primary Pledged Entities**” means the Pledged Entities-Harborside.

“**Policy**” and “**Policies**” are defined in the introductory paragraph to Article VIII.

“**Post-Closing Obligations Letter**” means that certain Agreement Regarding Post-Closing Items of even date herewith between Borrower and Lender.

“**Prohibited Person**” means:

(a) any Person or country who or which is listed in the annex to, or who is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the “**Executive Order**”);

(b) any Person who is listed on any of the following (collectively (or individually if the context so requires), the “**Government Lists**”): (i) the Specially Designated Nationals and Blocked Persons Lists maintained by OFAC, (ii) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Agent or any Lender notified Borrower in writing is now included in “Government Lists”, or (iii) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America that Agent or any Lender notified Borrower in writing is now included in “Government Lists”;

(c) any Person who has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under any laws relating to money laundering or terrorist financing, including, without limitation, (i) the criminal laws against terrorism; (ii) the criminal laws against money laundering, (iii) the Bank Secrecy Act, as amended, (iv) the Money Laundering Control Act of 1986, as amended, and (v) the Patriot Act;

(d) any Person who is currently under investigation by any Governmental Authority for alleged criminal activity;

(e) any Person that is an Embargoed Person;

(f) any Person or country with whom another Person is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order;

(g) any Person who commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order;

(h) any Person that is owned or controlled by, or acting for or on behalf of, a Person that is described in the foregoing clauses (a) through (g) above or is otherwise subject to the provisions of the Executive Order; or

(i) any Person who is an Affiliate of a Person listed in clauses (a) through (h) above.

“**Property**” means, collectively, the Real Property, the Personal Property and the Improvements.

“**Property Owners-Harborside**” means each of Encinal Productions RE LLC, and Accucanna RE LLC, each a California limited liability company.

“**Property Owners-Loudpack**” means each of Greenfield Prop Owner LLC and Greenfield Prop Owner II, LLC, each a California corporation.

“**Property Owners-Urbn Leaf**” means each of 658 San Ysidro Blvd LLC and 909 West Vista Way LLC, each a California limited liability company, and ULBP Inc., a California corporation.

“**Property Tax**” means all real estate and personal property taxes, assessments, water rates or sewer rents or user fees, now or hereafter levied or assessed or imposed against the Property or part thereof.

“**Rating Agencies**” means any nationally recognized statistical rating organization to the extent that have been or will be engaged by Lender or its designees in connection with or in anticipation of a Secondary Market Transaction (each, individually, a “**Rating Agency**”).

“**Real Property**” means (a) that certain parcel of real property located at 26889 Encinal Road in the City of Salinas, County of Monterey, State of California, as more particularly described in the applicable Security Instrument and all appurtenances thereto and (b) that certain parcel of real property located at 66205 Paul Road in the City of Desert Hot Springs, County of Riverside, State of California, as more particularly described in the applicable Security Instrument and all appurtenances thereto.

“**Register**” is defined in Section 10.1.

“**Regulatory Change**” means any change after the date of this Agreement in United States federal, state or foreign laws or regulations or the adoption or making after such date of any interpretations, directives or requests applying to a class of lenders, including Lender, under any United States federal, state or foreign laws or regulations (whether or not having the force of law)

or any governmental or monetary authority charged with the interpretation or administration thereof.

“Regulatory License” means each Government Approval required to be held by Borrower or a Guarantor, or that Borrower or a Guarantor, as applicable, must have rights to use, to conduct its Support Business or Cannabis Business, as applicable, in compliance with State Cannabis Laws.

“Release” means with respect to Hazardous Materials, but is not limited to, any presence, release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials.

“Remediation” means, but is not limited to, any activity to (a) clean up, detoxify, decontaminate, disinfect, contain, treat, remove, respond to, correct, dispose of, transport, or otherwise remediate, prevent, cure or mitigate any Release of any Hazardous Materials; any action to comply with any Hazardous Materials Laws or with any permits issued pursuant thereto; or (b) inspect, investigate, study, monitor, assess, audit, sample, test, or evaluate any actual, potential or threatened Release of Hazardous Materials.

“Reserve Accounts” means, collectively, the Debt Service Reserve Account and the Cash Management Account.

“Restoration” is defined in Section 8.8.

“Restoration Proceeds” is defined in Section 8.7(a).

“Restoration Proceeds Threshold” is defined in Section 8.7(a).

“Restricted Cannabis Activities” shall mean in connection with the Support Business or Cannabis Business: (a) any activity that is not permitted under applicable State Cannabis Laws; (b) knowingly distributing and selling cannabis and related products to minors that is not approved under a State Cannabis Law; (c) payments to criminal enterprises, gangs, cartels and Persons subject to sanctions in violation of Legal Requirements; (d) non-compliance with anti-terrorism laws and other Legal Requirements relating to money-laundering; (e) diversion of cannabis and related products from states where it is legal under State Cannabis Law to other states in violation of Legal Requirements; (f) the commission, or making threats of violence and the use of firearms in violation of Legal Requirements; (g) growing cannabis and related products on federal lands in violation of Legal Requirements; (h) operating a Cannabis Business without the applicable Regulatory License; and (i) directly or indirectly, aiding, abetting or otherwise participating in a common enterprise with any Person or Persons in such activities.

“San Ysidro Owner” means 658 East San Ysidro Blvd LLC, a California limited liability company.

“San Ysidro Property” means that certain parcel of real property located at 650-658 E. San Ysidro Boulevard in the City of San Diego, County of San Diego, State of California, each as more particularly described in the applicable Security Instrument and all appurtenances

thereto.

“**Secondary Market Transaction**” and “**Secondary Market Transactions**” are defined in Section 10.1.

“**Security Instrument**” means that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed and delivered by Property Owners-Harborside in favor of Lender pursuant to this Agreement which encumbers all of Borrower’s right, title and interest in and to the Property, as the same may be amended, restated, modified or supplemented from time to time.

“**Series A Indebtedness**” means the Indebtedness incurred pursuant to Credit and Guaranty Agreement dated as of December 21, 2020 among UL Holdings Inc. and its subsidiaries as borrower and Seventh Avenue Investments, LLC and Various Lenders, the Secured Promissory Note dated as of July 23, 2021 between UL Holdings Inc. and SUB CCP URBN, LLC, and the Unsecured Promissory Note dated as of July 23, 2021 between UL Holdings Inc. and FLRish Retail Management and Security Services LLC.

“**Servicer**” is defined in Section 2.16.

“**Special Purpose Entity**” is defined in **Exhibit B**.

“**State**” means the State of California.

“**State Cannabis Laws**” shall mean any Legal Requirement enacted by any state or locality of the United States which legalizes marijuana, cannabis and related products in some form and which implements regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis and related products that is applicable to Borrower, any Guarantor, any subsidiary of any of the foregoing or, solely with respect to the definition of Change in Cannabis Law, Lender.

“**Subdivision Map**” is defined in Section 6.11.

“**Subordinated Indebtedness**” of a Person means any Indebtedness of such Person, the payment of which is subordinated to payment of the Obligations to the written satisfaction of the Lender.

“**subsidiary**” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with the Accounting Standard as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent and/or by the parent and one or more subsidiaries of the parent.

“**Subsidiary**” means any direct or indirect subsidiary of Borrower.

“**Support Business**” shall mean the business of managing or supporting a Cannabis Business, and all ancillary or complimentary activities related to the foregoing, including owning the real property on which any such activity is conducted.

“**Swap Agreement**” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or any option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Borrower or the Subsidiaries shall be a Swap Agreement.

“**Taking**” is defined in Section 8.7(a).

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

“**Title Company**” means First Nationwide Title.

“**Title Policy**” means, collectively, the most current version of ALTA extended coverage lender’s title policy issued by Title Company insuring the first priority Lien of the Security Instrument and the Other Security Instrument in the full maximum possible amount of the Loan subject only to such exceptions approved by Lender and including such endorsements as are required by Lender.

“**Tranche 1**” is defined in Section 2.1(b).

“**Tranche 2**” is defined in Section 2.1(c).

“**Transfer**” means the sale, transfer, hypothecation, encumbrance, mortgage, conveyance, lease, alienation, assignment, disposition, divestment, or leasing with option to purchase, or assignment of the Property, or any portion thereof or interest therein (whether direct or indirect, legal or equitable, including the issuance, sale, assignment, alienation, conveyance, divestment, transfer, disposition, hypothecation, mortgage or encumbrance of any ownership interest in Borrower, any Pledged Entity or Other Pledged Entity or in any entity having an ownership interest in Borrower, any Pledged Entity or any Other Pledged Entity, whether direct or indirect) (or entering into any agreement or contract to do any of the foregoing), or undertaking, suffering or causing any of the foregoing to occur voluntarily, involuntarily or by operation of law.

“**UL Leases**” means the Bay Park Leases and the Hillside Lease.

“**UL Loan Agreement**” means that certain Loan Agreement entered into as of the date hereof between Lender and Urbn Leaf with respect to the Other Loan-UL, as the same may be amended, restated, modified or supplemented from time to time.

“**Urbn Leaf**” is defined in the Recitals.

“**U.S. Borrower**” means any Borrower that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“**U.S. Person**” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“**U.S. Tax Compliance Certificate**” is defined in Section 2.15(e)(ii)(B)(3).

“**Vista Outparcel**” means the parcel of land owned by 909 West Vista Way LLC and currently forming a portion of the Vista Property and shown as “Proposed Parcel 2” on **Exhibit C** attached hereto.

“**Vista Property**” means the Property located at 909 West Vista Way, Vista California.

“**Vista Release Price**” means an amount equal to fifty percent (50%) of the greater of (a) the net proceeds of sale of the Vista Outparcel to a third party that is neither Borrower, any Other Loan Borrower nor an Affiliate of any of the foregoing, with no fees relating to any such sale being paid to any of the foregoing parties or (b) \$2,930,000.

“**Working Capital Costs**” means costs incurred in connection with the operation of Borrower’s business, but excluding Debt Service.

1.2 Exhibits and Schedules. All exhibits and schedules attached to this Agreement are hereby incorporated into this Agreement.

1.3 Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. All uses of the word “including” shall mean “including, without limitation” unless the context shall indicate otherwise. Unless otherwise specified, the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

ARTICLE II

THE LOAN

2.1 Loan.

(a) Subject to the terms and conditions contained in this Agreement, and in reliance upon the representations and warranties of Borrower set forth hereunder and in the other Loan Documents, Lender hereby agrees to lend to Borrower, and Borrower hereby agrees to borrow from Lender, the principal sum of Forty Seven Million Four Hundred Five Thousand Three Hundred Eighty Six and 00/100 Dollars (\$47,405,386.00) to be available in two tranches as further

specified herein, which will be available to be drawn by Borrower in two tranches as set forth in Sections 2.1(b) and 2.1(c). The Loan is evidenced by the Note. The Note is secured, *inter alia*, by the Security Instrument encumbering the Property and after the closing of the Merger Transactions, by the Other Security Instrument securing the Other Property. No portion of the Loan, once repaid, may be reborrowed by Borrower. Borrower shall receive only one borrowing hereunder for Tranche 1 and one hereunder for Tranche 2, up to the maximum Loan amounts specified for Tranche 1 and Tranche 2 and any amount borrowed and repaid hereunder may not be re-borrowed.

(b) A portion of the Loan in the amount of Fifteen Million Four Hundred Fifty Five Thousand Three Hundred Eighty Six and 00/100 Dollars (\$15,455,386.00) (“**Tranche 1**”) will be disbursed to Borrower on the Effective Date. Of that amount, a portion in the amount of One Million Five Hundred Eighty Four Thousand One Hundred Seventy Seven and 00/100 Dollars (\$1,584,177.00) will be deposited into the Debt Service Reserve Account, which will be held by Lender for the payment of interest on principal amount for the first year of the Loan. For the avoidance of doubt, interest hereunder will accrue on all unrepaid Tranche 1 funds from and after the Effective Date.

(c) A portion of the Loan in the amount of Thirty One Million Nine Hundred Fifty Thousand and 00/100 Dollars (\$31,950,000.00) (“**Tranche 2**”) has been held back and will be available to be drawn by and disbursed to the Borrower in its entirety at one time, at its request only upon satisfaction of the following conditions:

(i) Merger Transactions. Both Merger Transactions shall have been consummated and closed in accordance with the Merger Agreements.

(ii) Representations and Warranties. All of the representations and warranties of Borrower, Guarantor, the Other Loan Borrowers and the Other Loan Guarantors contained in this Agreement, other than the representation made by Borrower in the final sentence of Section 4.11 of this Agreement, any other Loan Document and any Other Loan Document shall be true, correct and complete in all material respects as though made on and as of such date;

(iii) No Default. No Event of Default or Default herein, and no Event of Default or Default as defined in the Other Loan Documents, shall have occurred and be continuing or would result from the making of such disbursement;

(iv) No Material Adverse Change. No change shall have occurred that has a Material Adverse Effect, as determined by Lender in its sole discretion;

(v) Request for Disbursement; Timing of Disbursements. Borrower shall have submitted and Lender shall have received a written request for disbursement of Tranche 2 in the form of **Exhibit A** attached hereto that shall: (A) specify Borrower’s desired funding date (which shall be a Business Day) for the disbursement of Tranche 2; and (B) contain a written certification by Borrower that each of the conditions to Lender’s obligation to make such disbursement as set forth herein have been satisfied. Each such request for disbursement shall also be accompanied by such additional documents and

information relating to the proposed disbursement as Lender shall reasonably require. Tranche 2 shall be disbursed by Lender by not later than the tenth (10th) calendar day (or the following Business Day if the tenth (10th) calendar day is not a Business Day) after Lender's receipt of Borrower's request for disbursement as set forth in this clause (v), provided that all conditions precedent to funding set forth hereunder have been satisfied as determined by Lender.

(vi) Senior Priority Liens. The Liens of the Security Instrument and the Other Security Instruments shall continue to be insured by the Title Policy (and the Title Policies as defined in the Other Loan Documents) as a senior priority Lien against the Property and the Other Property (subject only to the Liens in favor of Lender in connection with the Other Loans); and

(vii) Title Policy Endorsements. Lender shall have received title insurance endorsements to the Title Policy in form and substance acceptable to Lender, necessary for insuring the Security Instrument and each and every disbursement of Loan proceeds made on and/or prior to the date of such endorsement as a first priority lien subject only to the Permitted Encumbrances. Without limiting the generality of the foregoing, to the extent available in the jurisdiction in which the Property is located, such endorsements shall: (1) insure Lender against unfiled mechanic's liens and/or stop notice claims; (2) increase the coverage under the Title Policy to the full principal amount then advanced under the Loan; (3) insure that, since the date of the Title Policy or the most recent endorsement thereto, there has been no change in the status of title to the Property (except for Permitted Encumbrances); and (4) change the effective date of the Title Policy to the date of the advance being made by Lender (or such other recent date as may be approved by Lender).

(viii) No Cash Management Period. No Cash Management Period shall then be in effect.

(ix) Outside Date. The fourth (4th) anniversary of the Effective Date shall not have occurred.

For the avoidance of doubt, interest hereunder will accrue on all unrepaid Tranche 2 funds from and after the date advanced by Lender and received by Borrower.

2.2 Use of Funds. Borrower shall use the proceeds of the Loan to repay existing indebtedness, to pay costs incurred by Borrower in connection with closing the Loan, for working capital and for such other purposes and uses as are permitted or required under this Agreement and the other Loan Documents. In no event shall any portion of Tranche 1 proceeds be used to pay any dividend or distribution, or be used for any purchase of any stock in Borrower, or for the repayment of any of the Subordinated Indebtedness. The proceeds of Tranche 2 may be used by Borrower for any permitted corporate purpose, subject to the terms of this Agreement, including without limitation Section 6.9.

2.3 Loan Fee; Exit Fee.

(a) Loan Fee. Borrower shall pay to Lender, on the Effective Date, (i) an origination fee in the total amount of Four Hundred Seventy Four Thousand Fifty Three and 86/100 Dollars (\$474,053.86) and (ii) a processing fee in the amount of Five Thousand and 00/100 Dollars (\$5,000.00) (collectively, the “**Loan Fee**”). Borrower hereby authorizes Lender to disburse on the Effective Date a portion of the Loan in such amount directly to Lender in payment of the Loan Fee. The Loan Fee shall be deemed earned when due and shall not be subject to reduction or be refundable under any circumstances. Borrower shall receive a aggregate credit in the amount of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) to be applied to the Loan Fee in this Section 2.3(a).

(b) Exit Fee. On the Maturity Date or earlier acceleration of the Loan, Borrower shall be obligated to pay to Lender an additional fee of Four Hundred Seventy Four Thousand Fifty Three and 86/100 Dollars (\$474,053.86) (the “**Exit Fee**”). The Exit Fee shall be deemed earned when due pursuant to this Section 2.3(b), and shall not be subject to reduction or be refundable under any circumstances. If any partial repayment of the Loan is made by Borrower prior to the Maturity Date, as such prepayment is permitted hereunder, then such partial prepayment shall be accompanied by the portion of the Exit Fee allocable to the amount being so prepaid in accordance with Section 2.10. Upon such partial prepayment, the amount due on the Maturity Date or earlier acceleration of the Loan shall be reduced by that portion of the Exit Fee previously paid by Borrower to Lender. Notwithstanding anything in this Agreement to the contrary, if and to the extent that the Loan or any portion thereof is repaid with the proceeds of a mortgage loan from Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) (provided that Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) shall have no obligation to offer to provide such financing), then the Exit Fee that would otherwise be payable with respect to repayment (or portion thereof) in connection therewith shall be waived.

2.4 Maturity Date. On the Maturity Date, or on such earlier date upon which the Loan shall have been accelerated upon an Event of Default, all sums due and owing under this Agreement and the other Loan Documents shall be repaid in full. All payments due to Lender under this Agreement, whether upon the Maturity Date or otherwise, shall be paid in immediately available funds.

2.5 Intentionally Omitted.

2.6 Effective Date; Closing Conditions. The effective date of this Agreement and the other Loan Documents (the “**Effective Date**”) shall be the date upon which the Loan is deemed “closed” by Lender and Borrower and the Tranche 1 funds have been advanced to Borrower and deposited into the Debt Service Reserve Account. Interest shall commence accruing under the Note on the Tranche 1 funds on the date that the Loan funds are wired into the Title Company in connection with the closing of the Loan. Lender’s obligation to disburse the Tranche 1 amount of the Loan on the Effective Date is subject to the satisfaction of each of the conditions precedent set forth on **Schedule 2.6** on or before the Effective Date.

2.7 Interest on Loan.

(a) Generally. Interest shall accrue on the Loan at the Applicable Interest Rate, and shall be paid by Borrower in the amounts and at the times hereinafter provided. Lender shall provide Borrower with a monthly interest statement indicating the amount of interest payable for such month at least one Business Day prior to each Payment Date, but failure of Lender to provide such statement shall not relieve Borrower from its obligation to make the required payment. On each Payment Date, Borrower shall pay interest on the unpaid principal balance of the Loan accrued and accruing through the last day of the Interest Period, provided that if the Loan is funded on a date which is within the last five (5) days of a calendar month, Borrower's first monthly interest payment shall be on the first day of the first (1st) calendar month following the date of this Agreement. On each Payment Date during the first twelve months immediately following the Effective Date, so long as no Event of Default exists, Lender shall automatically withdraw the interest payable for such month, as specified in the monthly interest statement delivered to Borrower from the Debt Service Reserve Account. The depletion of the funds in the Debt Service Reserve Account shall not release Borrower from any of Borrower's Obligations under this Agreement or the other Loan Documents, including the obligation to pay interest and other charges and payment under or with respect to the Loan when due from other funding sources of Borrower and for the avoidance of doubt, when the funds in the Debt Service Reserve Account have been depleted, such account shall be closed and Borrower shall continue to make payments of interest to Lender on each Payment Date in accordance with the requirements of this Section 2.7 and Section 2.8. Interest shall commence accruing on the Loan on the date when the Loan funds are wired into escrow by Lender, and Borrower agrees that it shall be obligated to pay such interest irrespective of whether or not the Effective Date occurs.

(b) Computations. Interest shall be computed hereunder based on a 360-day year, and shall accrue for each and every day (365 days per year, 366 days per leap year) on which any Debt remains outstanding hereunder. In computing the number of days during which interest accrues, the day on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the day on which funds are repaid shall be included unless repayment is credited prior to close of business. Payments in federal funds immediately available in the place designated for payment made by Borrower prior to 11:00 am Pacific Time, shall be credited prior to close of business, while other payments may, at the option of Lender, not be credited until immediately available to Lender in federal funds in the place designated for payment prior to 11:00 am, Pacific Time, at such place of payment on a day on which Lender is open for business.

(c) Late Payment Charge. If any principal, interest or other sum due under any Loan Document is not paid by Borrower within three days after delinquency (other than the remaining principal due on the Maturity Date), and is not a result of a delay in Lender's funding an advance due pursuant to the terms and conditions of this Agreement, Borrower shall pay to Lender upon demand an amount equal to the lesser of five percent (5.0%) of such unpaid sum or the maximum amount permitted by applicable law (the "**Late Payment Charge**"), to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Such Late Payment Charge shall be secured by the Loan Documents.

(d) Applicable Interest Rate. The “**Applicable Interest Rate**” upon which interest shall be calculated for the Debt shall, from and after the Effective Date, be one or more of the following:

(i) provided no Event of Default exists, 10.25%;

(ii) after the occurrence and only during the continuance of an Event of Default, the entire unpaid Debt shall bear interest at the Default Interest Rate, and shall be payable upon demand from time to time, to the extent permitted by applicable law.

2.8 Loan Payments. Payments on the outstanding amount of the Loan shall be paid by Borrower in accordance with the terms of this Agreement. Lender shall provide Borrower with its wire instructions for any such payment.

2.9 Credit for Payments. Any payment made upon the outstanding principal balance of the Loan, or the accrued interest thereon, shall be credited as of the Business Day received, provided that such payment is made by Borrower no later than 11:00 am (Pacific Standard Time or Pacific Daylight Time, as applicable) and constitutes immediately available funds. Any payment made after such time or which does not constitute immediately available funds shall be credited upon such funds having become unconditionally and immediately available to Lender.

2.10 Prepayment.

(a) Borrower shall make payments of principal in the amount of seven and one-half percent (7.5%) of the then outstanding principal balance of the Loan on each of the thirty-sixth (36th) and forty-eighth (48th) Payment Dates, TIME BEING OF THE ESSENCE with respect thereto. Failure to make any such payment shall be an immediate Event of Default.

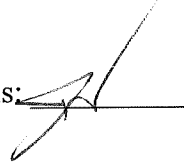
(b) Borrower may prepay the Loan in whole, but not in part, except as provided below, on a regularly scheduled Payment Date, upon not less than thirty (30) days’ (but no more than one hundred twenty (120) days’) prior written notice to Lender and the payment to Lender of (a) all outstanding principal and accrued but unpaid interest due under the Loan and all other amounts due under the Note, this Agreement and the other Loan Documents (including, without limitation, the Exit Fee) plus (b) a prepayment premium (the “**Minimum Interest Payment**”) equal to (i) (A) if the prepayment occurs prior to the advance of Tranche 2, Four Million Eight Eighteen Thousand Five Hundred Thirty Eight and 57/100 Dollars (\$4,818,538.57) or (B) if after the advance of the full amount available under Tranche 2, Fourteen Million Seven Hundred Seventy Nine Thousand Six Hundred Sixteen and 70/100 Dollars (\$14,779,616.70), minus (ii) the aggregate sum of all interest payments (excluding any default interest) actually received by Lender as of the date of prepayment, including amounts paid to Lender from disbursements from the Debt Service Reserve Account. Notwithstanding anything in this Agreement to the contrary, if and to the extent that the Loan or any portion thereof is repaid with the proceeds of a mortgage loan from Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) (provided that Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) shall have no obligation to offer to provide such financing), then the Minimum Interest Payment that would otherwise be payable with respect to repayment (or portion thereof) in connection therewith shall be waived. Additionally, notwithstanding any of the foregoing or any other provision of this Agreement, if a Cash Management Period exists, Borrower shall have the right, without prior

notice and without the need pay any prepayment penalty, to prepay an amount of outstanding principal of the Loan to cause the Debt Service Coverage Ratio at that time to be equal to or exceeds 1.5:1.0, at which time any Cash Management Period arising solely under clause (c) of the definition thereof shall cease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(c) TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY LAW, BORROWER HEREBY EXPRESSLY (i) WAIVES ANY RIGHTS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 2954.10 TO PREPAY THE NOTE, IN WHOLE OR IN PART, WITHOUT PAYMENT OF A PREPAYMENT FEE EXCEPT AS OTHERWISE PROVIDED IN SECTION 2.10(b), UPON ACCELERATION OF THE MATURITY DATE, AND (ii) AGREES THAT IF, FOR ANY REASON, A PREPAYMENT OF ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF THE NOTE IS MADE UPON OR FOLLOWING ANY ACCELERATION OF THE MATURITY DATE BY LENDER ON ACCOUNT OF ANY DEFAULT BY BORROWER INCLUDING, WITHOUT LIMITATION, ANY TRANSFER, DISPOSITION OR FURTHER ENCUMBRANCE PROHIBITED OR RESTRICTED BY THE LOAN DOCUMENTS, THEN BORROWER SHALL BE OBLIGATED TO PAY CONCURRENTLY WITH SUCH PREPAYMENT (AND IN ADDITION TO THE EXIT FEE AND BREAKAGE PREPAYMENT PREMIUM (IF APPLICABLE), THE MINIMUM INTEREST PAYMENT SPECIFIED IN SECTION 2.10. BY INITIALING THE PROVISION IN THE SPACE PROVIDED BELOW, BORROWER HEREBY DECLARES THAT THE AGREEMENT TO MAKE THE LOAN EVIDENCED BY THE NOTE AT THE INTEREST RATE AND FOR THE TERM SET FORTH IN THIS AGREEMENT CONSTITUTES ADEQUATE CONSIDERATION, GIVEN INDIVIDUAL WEIGHT BY BORROWER FOR THIS WAIVER AND AGREEMENT. FURTHER, BY INITIALING BELOW, BORROWER EXPRESSLY ACKNOWLEDGES AND AGREES THAT NOTWITHSTANDING ANY APPLICABLE LAW TO THE CONTRARY, PURSUANT TO THE TERMS OF THIS AGREEMENT AND OF THE NOTE, BORROWER HAS AGREED THAT BORROWER HAS NO RIGHT TO REPAY THE NOTE WITHOUT THE PAYMENT OF THE EXIT FEE, AND THAT BORROWER SHALL BE LIABLE FOR THE PAYMENT OF THE EXIT FEE IN CONNECTION WITH THE REPAYMENT OF THE NOTE DUE TO THE ACCELERATION OF THE NOTE IN ACCORDANCE WITH ITS TERMS AND/OR THE TERMS OF THIS AGREEMENT. FURTHERMORE, BY INITIALING BELOW, BORROWER EXPRESSLY ACKNOWLEDGES AND AGREES THAT LENDER HAS MADE THE LOAN IN RELIANCE UPON THESE AGREEMENTS OF BORROWER AND THAT LENDER WOULD NOT HAVE MADE THE LOAN WITHOUT SUCH AGREEMENTS OF BORROWER.

Borrower's Initials: _____

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character, written over a horizontal line.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

2.11 Full Repayment and Reconveyance. Upon receipt of all amounts owing and outstanding under the Loan Documents, Lender shall issue a full reconveyance of the Property from the Lien of the Security Instrument, provided that all of the following conditions shall be satisfied at the time of, and with respect to, such reconveyance: (a) Lender shall have received all escrow, closing and recording costs, the costs of preparing and delivering such reconveyance and any sums then due and payable under the Loan Documents; (b) Lender shall have received the entire Exit Fee in accordance with Section 2.3 and any Minimum Interest Payment payable hereunder; and (c) Lender shall have received a written release satisfactory to Lender of any set aside letter, letter of credit or other form of undertaking which Lender has issued to any surety, Governmental Authority or other Person in connection with the Loan and/or the Property. If applicable, Lender's obligation to make further disbursements under the Loan shall terminate as to any portion of the Loan undisbursed as of the date of issuance of such full reconveyance, and any commitment of Lender to lend any undisbursed portion of the Loan shall be cancelled.

2.12 Authorization. Borrower shall act under this Agreement and the other Loan Documents only through such authorized representatives as Borrower shall designate to Lender in writing from time to time. Borrower hereby designates its Chief Executive Officer, Chief Financial Officer and General Counsel as Borrower's authorized representative for purposes of this Agreement and the other Loan Documents, and such Person shall continue as Borrower's authorized representatives until such time as Borrower shall duly authorize other or additional Persons so to act on behalf of Borrower. Lender shall be entitled to act on the instructions of any Person identifying himself or herself as one of the Persons authorized by Borrower, and Borrower shall be bound thereby in the same manner as if any such Person were actually so authorized. Borrower shall indemnify, defend and hold Lender harmless from and against any and all Liabilities and Costs arising out of or in any way connected with Lender's acceptance of or acting upon any instructions or directions from the Person or Persons so authorized.

2.13 Recourse to Borrower. The Loan shall be full recourse to Borrower. Further, Lender shall have the right to (a) proceed against Borrower or any Guarantor under the Environmental Indemnity Agreement, or to proceed against any Guarantor under the Payment Guaranty; (b) name Borrower or any Guarantor in any foreclosure or similar legal action to the extent necessary to enforce Lender's rights under the Loan Documents; and/or (c) obtain injunctive relief against Borrower, any Guarantor, any Affiliate or other Person, or maintain any suit or action in connection with the preservation, enforcement or foreclosure of any Lien now or hereafter securing any Obligations of Borrower under this Agreement or the other Loan Documents.

2.14 Increased Costs Generally.

(a) If any Regulatory Change: (a) shall subject Lender to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (iii) Connection Income Taxes) with respect to its loans, commitments or other obligations or its deposits, reserves other liabilities or capital attributable thereto; or (b) shall impose, modify or deem applicable any reserve, special deposit, capital, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender or shall impose on Lender any other condition affecting its loans or its obligation to make such loans, and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make

the Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(c) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Regulatory Change giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Regulatory Change 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).

2.15 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower 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 the Borrower) requires the deduction or withholding of any Tax from any such payment by the Borrower, then the Borrower 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 the Borrower 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 Lender 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 the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law any Other Taxes.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Lender, within 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 the Lender or required to be withheld or deducted from a payment to the Lender 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 the Borrower by a Lender shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Lender 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 the Lender.

(e) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower as will enable the Borrower 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 Sections 2.15(e)(ii)(A), (ii)(B) and (ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower), 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 the Borrower (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower), 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 Code, (x) a certificate reasonably acceptable to Lender to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code (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 or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate reasonably acceptable to Lender, 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 reasonably acceptable to Lender on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower (in such number of copies as shall be requested by Borrower) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower 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 the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied 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 the Borrower in writing of its legal inability to do so.

(f) 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 2.15 (including by the payment of additional amounts pursuant to this Section 2.15), 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 (f) (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 (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) 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.

(g) Survival. Each party’s obligations under this Section 2.15 shall survive any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(h) Defined Terms. For purposes of this Section 2.15, the term “applicable law” includes FATCA

2.16 Appointment of Servicer and Delegation of Lender Rights. Borrower acknowledges and agrees that, at the option of Lender, the Loan may be serviced by a servicer/trustee (the “**Servicer**”) selected by Lender, and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement between Lender and Servicer, provided that such delegation will not release Lender from any of its obligations under the Loan Documents. Unless an Event of Default shall then exist, Lender shall be solely responsible for the fees of any Servicer.

2.17 Other Loans. As a material inducement to cause Lender to make the Loan and the Other Loans, from and after the date that both Merger Transactions have closed (the “**Merger Effective Date**”), (a) Borrower and Guarantor will guaranty the Other Loans, (b) the Collateral

will serve as additional collateral for each of the Other Loans, (c) the Other Loan Borrowers and the guarantors of the Other Loans will guaranty the Loan and the applicable Other Loan and (d) the collateral securing the Other Loans will serve as additional collateral for the Loan and the applicable Other Loan. All applicable parties shall execute and deliver in escrow to Lender the documents and instruments required to effect the foregoing pursuant to the Post-Closing Obligations Letter. If either of the Merger Agreements is terminated for any reason, then (i) Lender shall release any documentation it may be holding in escrow pursuant to which Borrower or Guarantor would have any liability or grant any Lien in any Collateral in respect of the applicable Other Loan, and (ii) Lender shall release any documentation it may be holding in escrow pursuant to which the Other Loan Borrower and its Affiliates in respect of such Other Loan would have any liability or grant any collateral in respect of the Loan.

2.18 Partial Release. Provided no Event of Default is then continuing and all amounts then due and owing to Lender have been paid in full, Borrower shall have the right, at its option, on not less than thirty (30) days' prior written notice to Lender, to obtain the release of the Vista Outparcel from the Liens of the Loan Documents in connection with a bona-fide sale of the Vista Outparcel to an unaffiliated third party or the formation of a joint venture between a Subsidiary of Urbn Leaf that is not a Guarantor and an unaffiliated third party, provided that the following conditions shall have been satisfied:

(a) Urbn Leaf shall prepay the Other Loan Borrower Loan-UL, in accordance with Section 2.10 of the UL Loan Agreement, in an amount equal to the Vista Release Price, which prepayment shall be accompanied by the other amounts specified in Section 2.10 of the UL Loan Agreement.

(b) Lender shall be reasonably satisfied that the remainder of the Vista Property shall continue to be a self-sufficient property, with its own tax parcel number, access to a public road, parking, all applicable utilities and such other matters as Lender shall reasonably deem necessary for the continued use and operation of the Vista Property consistent with its current use and operation, all without reliance on the Vista Outparcel or any new agreements with the owner thereof or any other Person.

(c) Borrower and/or Urbn Leaf shall reimburse Lender for any actual out-of-pocket costs and expenses incurred by Lender in connection with this Section 2.18 and the corresponding provisions of the Other Loan Documents (including the reasonable fees and expenses of legal counsel).

(d) Upon satisfaction of the requirements set forth in this Section, Lender will execute and deliver to Borrower and/or Urbn Leaf such instruments, prepared by Borrower and/or Urbn Leaf and reasonably approved by Lender, as shall be necessary to release the Vista Outparcel from the Liens of the Loan Documents.

ARTICLE III RESERVE ACCOUNTS

3.1 Establishment of Reserve Accounts. Lender has established the following Reserve Accounts:

(a) A debt service reserve account (the “**Debt Service Reserve Account**”), into which funds shall be deposited for the payment of interest as and when the same become due hereunder. If no Event of Default exists, Lender shall automatically apply amounts held in the Debt Service Reserve Account to payment of Debt Service. If an Event of Default has occurred and is continuing, provided that sufficient funds therefor remain in the Debt Service Reserve Account, Lender may, and is authorized by Borrower, to disburse to itself each month from the Debt Service Reserve Account amounts incurred by it as a result of the occurrence and continuance of such Event of Default. Should Lender be required to utilize the Debt Service Reserve Account for anything other than Debt Service payments, Borrower shall be required to replenish funds in the Debt Service Reserve Account. The failure to replenish the Debt Service Reserve Account upon five (5) Business Days’ written notice by Lender to Borrower shall be an additional Event of Default under this Agreement.

(b) A cash management account (the “**Cash Management Account**”) into which Borrower shall cause all Excess Cash Flow to be transmitted on a monthly basis by the first day of each month after the occurrence and during the continuance of a Cash Management Period. Without in any way limiting the foregoing, so long as a Cash Management Period is in effect, if Borrower or any of its Subsidiaries receives any Excess Cash Flow, then such amounts shall be deemed to be collateral for the Obligations and shall be held in trust for the benefit of Lender. Without in any way limiting the foregoing, so long as a Cash Management Period is in effect, if Borrower receives any Excess Cash Flow, then such amounts shall be deemed to be collateral for the Obligations and shall be held in trust for the benefit of Lender. If (i) Borrower is unable to pay Debt Service in any month during the continuation of a Cash Management Period, (ii) no other Event of Default exists and (iii) no funds remain in the Debt Service Reserve Account, Lender shall apply funds in the Cash Management Account to the payment of such Debt Service up to a maximum of Two Million and 00/100 Dollars (\$2,000,000.00). Any additional Debt Service shortfall after such amount shall be paid out of Borrower’s equity funds. If (A) Borrower or any other Loan Borrower is unable to pay any portion of the amortization payments required pursuant to Section 2.10(a) of this Agreement or any of the Other Loan loan agreements and (B) no other Event of Default exists, Lender shall apply funds in the Cash Management Account to such payments as requested by Borrower. Except as expressly provided above, funds in the Cash Management Account are intended solely to be additional collateral for the Loan and shall not be released to Borrower without Lender’s prior written consent in its sole discretion. The calculation of Excess Cash Flow shall be subject to review and audit by Lender at Borrower’s expense. If Lender determines that Borrower miscalculated Excess Cash Flow, then Borrower shall deposit any shortfall into the Cash Management Account within five (5) days after demand therefor by Lender. Upon the conclusion of a Cash Management Period, all funds on deposit in the Cash Management Account shall be promptly released to Borrower.

3.2 Intentionally Omitted.

3.3 Intentionally Omitted.

3.4 Intentionally Omitted.

3.5 No Waiver or Approval by Reason of Loan Advances. Lender’s waiver of, or failure to enforce, any conditions to or requirements associated with any disbursement from a

Reserve Account in any one or more circumstances shall not constitute or imply a waiver of such conditions or requirements in any other circumstances.

3.6 Intentionally Omitted.

3.7 No Third-Party Benefit. This Agreement is solely for the benefit of Lender and Borrower. All conditions of the obligations of Lender to make disbursements from the Reserve Accounts hereunder are imposed solely and exclusively for the benefit of Lender and may be freely waived or modified in whole or in part by Lender at any time if in Lender's sole discretion it deems it advisable to do so, and no Person other than Borrower (provided that all conditions have been satisfied) shall have standing to require Lender to make any Loan advances or shall be a beneficiary of this Agreement or any advances to be made hereunder.

3.8 Intentionally Omitted.

3.9 Intentionally Omitted.

3.10 Reserve Accounts Generally.

(a) Borrower hereby pledges and assigns, and grants to Lender a first-priority perfected security interest in, each of the Reserve Accounts and all funds therein and any and all monies now or hereafter deposited in each Reserve Account as additional security for payment of the Obligations. Until expended or applied in accordance herewith, the Reserve Accounts and all funds therein shall constitute additional security for the Obligations.

(b) This Agreement is, among other things, intended by the parties to be a security agreement for purposes of the Uniform Commercial Code. Upon the occurrence of an Event of Default, Lender may, in addition to any and all other rights and remedies available to Lender, apply any sums then present in any or all of the Reserve Accounts to the payment of the Debt in any order in its sole discretion.

(c) The Reserve Accounts shall not constitute trust funds and may be commingled with other monies held by Lender. Unless expressly provided for in this Article III, all interest on a Reserve Account shall not be added to or become a part thereof and shall be the sole property of and shall be paid to Lender.

(d) The Reserve Accounts shall be under the sole control and dominion of Lender, and except as otherwise provided in this Agreement, Borrower shall not have any right of withdrawal therefrom.

(e) Except as may otherwise be provided in the Loudpack Subordination Agreement, Borrower shall not, without obtaining the prior written consent of Lender, further pledge, assign or grant any security interest in any Reserve Account or the monies deposited therein or any Excess Cash Flow or gross revenues of Borrower or any of its Subsidiaries or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto.

(f) Any amount remaining in the Reserve Accounts after the Debt has been paid in full shall be returned to Borrower.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

To induce Lender to execute this Agreement and make the Loan, Borrower hereby represents, warrants and covenants to Lender as of the date hereof and continuing hereafter as follows:

4.1 Organization; Power; Single Purpose Entity. Borrower and each Guarantor: (a) is duly organized and validly existing in good standing under the laws of the State or Province of its formation; (b) is duly qualified to do business in each jurisdiction in which the nature of its business or any of the Property makes such qualification necessary; (c) has the requisite power and authority to carry on its business as now being conducted; and (d) has the requisite power to execute and deliver, and perform its obligations under, the Loan Documents. Borrower is a “registered organization” within the meaning of the Uniform Commercial Code in effect in the State where Borrower is organized. Each Pledged Entity is and shall at all times remain, a Special Purpose Entity.

4.2 Authority; Enforceability. Borrower has the requisite legal power and authority to execute, deliver and perform each of the Loan Documents. The execution, delivery and performance thereof, and the consummation of the transactions contemplated thereby, have been duly authorized by all requisite action of Borrower, and no other proceedings or authorizations on the part of Borrower are necessary to consummate such transactions. The Loan Documents executed by Borrower in connection with the Loan are the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their terms, subject only to bankruptcy, insolvency and other limitations on creditors’ rights generally and to equitable principles. Such Loan Documents are, as of the Effective Date, not subject to any right of rescission, set-off, counterclaim or defense by Borrower, including the defense of usury.

4.3 Ownership of Borrower. The organizational chart attached hereto as **Schedule 4.3** is complete and accurate as of the Effective Date and illustrates all Persons who (a) have, together with its Affiliates, at least a 25% a direct or indirect ownership interest in Borrower to each tier or level shown thereon and their respective ownership percentages and (b) all direct and indirect Subsidiaries of Borrower.

4.4 No Conflict. The execution, delivery and performance by Borrower of the Loan Documents, and each of the transactions contemplated thereby, do not and will not: (a) conflict with or violate Borrower’s partnership agreement, articles of organization, operating agreement or other organizational documents, as the case may be; (b) conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any (i) contractual obligation to which Borrower, the Property or the other Collateral is subject, (ii) statute, ordinance, rule or regulation of any Governmental Authority applicable to Borrower, the Property or the other Collateral, or (iii) court or Governmental Authority order; or (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Borrower (other than Liens in favor of Lender arising pursuant to the Loan Documents).

4.5 Consents and Authorizations. Borrower has obtained all consents and authorizations required under its organizational documents or pursuant to its contractual obligations with any other Person, and has obtained all consents and authorizations of, and effected all notices to and filings with, any Governmental Authority as may be necessary to allow Borrower to lawfully execute, deliver and perform its obligations under the Loan Documents and the Environmental Indemnity Agreement. Guarantor has obtained all consents and authorizations required under its organizational documents or pursuant to its contractual obligations with any other Person, and has obtained all consents and authorizations of, and effected all notices to and filings with, any Governmental Authority as may be necessary to allow Guarantor to lawfully execute, deliver and perform its obligations under the Loan Documents.

4.6 Financial Information. All financial statements and other financial information heretofore delivered by Borrower to Lender, including, without limitation, information relating to the financial condition of Borrower, Guarantor and the Property or the Members in Borrower, are true and correct in all material respects, fairly and accurately reflect the financial condition of the subject thereof and have been prepared in accordance with the Accounting Standard, or another accounting method approved by Lender, consistently applied. There has been no change that would have a Material Adverse Effect on Borrower or Guarantor, or the ability of Borrower or Guarantor to perform its respective obligations under the Loan Documents, since the date of such financial statements or other financial information. There are no known material unrealized or anticipated losses of Borrower or Guarantor. None of Borrower, any Member, any Guarantor or any of their respective Affiliates has filed or been the subject of any bankruptcy, insolvency, reorganization, dissolution or similar proceeding or any proceeding for the appointment of a receiver or trustee for all or any substantial part of their respective property or assets. None of Borrower, any Member, any Guarantor or any of their respective Affiliates, has admitted in writing its inability to pay its debts when due, made an assignment for the benefit of creditors or taken other similar action.

4.7 Litigation; Adverse Effects; Condemnation.

(a) Except as disclosed in **Schedule 4.7**, there is no action, suit, proceeding, governmental investigation or arbitration, at law or in equity, or before or by any Governmental Authority, pending against and served upon or, to best of Borrower's knowledge, threatened against and not served upon Borrower, any Guarantor, the Property or any other Collateral which could (i) result in a Material Adverse Effect upon such Person, the Property or other Collateral, or (ii) materially and adversely affect the ability of Borrower or Guarantor to perform its obligations under the Loan Documents.

(b) Borrower is not (i) in violation of any applicable Legal Requirements, which violation would have a Material Adverse Effect upon Borrower, Guarantor, the Property or any other Collateral, or (ii) subject to or in default with respect to any court or Governmental Authority order which would have a Material Adverse Effect upon Borrower, Guarantor, the Property or any other Collateral. There are no governmental or administrative proceedings pending or, to the best of Borrower's knowledge, threatened against Borrower, the Property or any other Collateral, which, if adversely decided, would have a Material Adverse Effect upon Borrower, Guarantor, the Property or any other Collateral.

(c) There are no known, pending or, to the best of Borrower's knowledge, threatened eminent domain or condemnation proceedings affecting the Property (or any portion thereof).

(d) Except as disclosed in **Schedule 4.7**, there are no known, pending, or to the best of Borrower's knowledge, threatened claims outstanding against Borrower or the Property (or any portion thereof) in respect of any work done on or prior to the date hereof at, on or around the Property by any contractor or third party claimant.

4.8 Payment of Taxes. All tax returns and reports to be filed by Borrower have been timely filed, and all taxes, assessments, fees and other governmental charges shown on such returns or otherwise payable by Borrower have been paid when due and payable, except as otherwise disclosed in **Schedule 4.8** and except such taxes, if any, as are (i) paid when due pursuant to a CDTFA payment plan or other similar program or (ii) being contested in good faith by appropriate proceedings and for which adequate reserves are maintained, and subject to such valid extensions of the filing and/or due date thereof as Borrower shall have obtained. Borrower has no knowledge of any proposed tax assessment against Borrower that would have a Material Adverse Effect upon Borrower, which is not being actively contested in good faith by Borrower.

4.9 Disclosure. The representations and warranties of Borrower and Guarantor, as applicable, contained in this Agreement, the other Loan Documents, and all certificates, financial statements and other documents delivered to Lender in connection herewith and therewith, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. All organizational documents, financial statements, Leases, agreements and other documents and instruments delivered by or on behalf of Borrower to Lender pursuant to this Agreement, the other Loan Documents and the Environmental Indemnity Agreement are true, correct and complete copies of the originals. All organizational documents, financial statements, Leases, agreements and other documents and instruments delivered by or on behalf of Guarantor to Lender pursuant to this Agreement are true, correct and complete copies of the originals. The foregoing representations and warranties with respect to any documents, Leases or instruments relating to the Property and not prepared by or on behalf of Borrower are made to the best of Borrower's knowledge. Borrower has not knowingly withheld any material fact from Lender in regard to any matter addressed in or material to the Loan Documents.

4.10 Requirements of Law and Other Covenants. Borrower and the Property and the use thereof comply with (a) all statutes, ordinances, rules and regulations of Governmental Authorities applicable to Borrower or the Property (including, without limitation, State Cannabis Laws, the ADA and all Hazardous Materials Laws but excluding all US federal statutes, ordinances, rules and regulations related to Cannabis Business), and (b) all restrictive covenants or other title matters affecting the Property or any portion thereof. Without limiting the generality of the foregoing, Borrower and Guarantor each has all required Governmental Approvals (including Regulatory Licenses) (excluding any United States federal Governmental Approvals) to operate its business as currently conducted, and all of such state and provincial Government Approvals are in full force and effect and have not been revoked, suspended, cancelled, rescinded, terminated, modified and have not expired. The Property consists of one or more legal and separate lot(s) for tax assessment purposes. All requisite permits, easements and rights of way necessary

for the occupancy, operation, ownership and use of the Property have been or will be obtained by Borrower and those that have been obtained are in full force and effect and not subject to default by any party thereto.

4.11 Merger Transaction and Property. Schedule 4.11-1 sets forth a list of all agreements entered into by Borrower and/or any of its Affiliates in connection with the Merger Transactions, all of such agreements are unmodified and in full force and effect and Borrower has delivered to Lender true, correct and complete copies of all such documents. No party is in default under any documents relating to the Merger Transactions. No such documents, materials or information disclose, and Borrower has not otherwise discovered in the course of its due diligence investigations, any facts, matters or circumstances that could have a Material Adverse Effect upon Borrower, the Property or any other Collateral, the transactions contemplated by this Agreement or the other Loan Documents or the Merger Transactions. All representations and warranties made by Borrower and/or any of its Affiliates in any of the agreements set forth on **Schedule 4.11-1** were true and correct in all material respects as of the date made.

4.12 Title to Assets; No Liens. On the Effective Date, Borrower and the Guarantors have good, marketable and indefeasible fee title to all Property other than the Bay Park Property and the other Collateral, and good leasehold title to the Bay Park Property, in each case free and clear of all Liens, except for any Liens arising in favor of Lender under the Loan Documents, the Permitted Encumbrances, and any other title matters approved by Lender in writing. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Property to Borrower have been paid. The Security Instrument, when properly recorded in the appropriate records, together with any UCC Financing Statements required to be filed in connection therewith, will create (a) a valid, perfected first priority lien on Borrower's or the applicable Guarantor's interest in the Property (other than the Bay Park Property), and (b) valid and perfected first priority security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to any Liens approved by Lender. All mortgage, recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents have been paid. No Lien upon the Property materially adversely affects the value, operation or use of the Property or Borrower's ability to repay the Loan. There are no outstanding options to purchase or rights of first refusal affecting all or any portion of the Property. The survey for the Property delivered to Lender does not fail to reflect any material matter affecting the Property or the title thereto, except as otherwise disclosed on **Schedule 4.12** attached hereto. Except as shown on the survey delivered by Borrower to Lender in connection with the closing of the Loan or as set forth on **Schedule 4.12** attached hereto, all of the Improvements included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvement on an adjoining property encroaches upon the Property, and no easement or other encumbrance upon the Property encroaches upon any of the Improvements, except those insured against by the Title Policy insuring the Lien of the Security Instrument. None of Borrower or any Guarantor has entered into or granted any security agreements, or permitted the filing or attachment of any security interests on or affecting any Collateral or Excluded Asset except as specified in **Schedule 2**.

4.13 Utilities. All utility services, including, without limitation, gas, water, sewage, electrical and telephone, necessary for the use and occupancy of the Property are available at or within the boundaries of the Property and have been connected or are available for connection by Borrower upon payment of all required connection or hook-up fees.

4.14 Leases.

(a) No portion of the Property has been leased or subleased to any Person except each Property has been leased by one Primary Pledged Entity to another Primary Pledged Entity pursuant to the leases described on **Schedule 4.14(a)-1**, and Borrower has delivered true, correct and complete copies of all such leases to Lender.

4.15 Affiliate Fees. Except as otherwise disclosed in **Schedule 4.15**, neither Borrower nor any Guarantor is obligated to pay any fee or compensation to any Affiliate in connection with the acquisition, financing, operation or management of the Property, the Cannabis Business or the Support Business (collectively "**Affiliate Fees**"). During the normal course of Borrower's business, Borrower and/or its Affiliates may conduct transactions, on an arms-length basis, for which Affiliate Fees may be incurred and paid, provided however, that notwithstanding anything to the contrary contained herein, all Affiliate Fees shall at all times be subordinate to the Loan and such Affiliate Fees shall not be paid during the occurrence of a Cash Management Period (as defined in the Harborside Loan Agreement) (and each Primary Pledged Entity's operating agreement shall contain an express statement to such effect).

4.16 Defects. There are no defects, facts or conditions affecting the Property or any portion thereof that would make the Property unsuitable for the occupancy, use or sale thereof. There are no surface or subsurface soils conditions adversely affecting the Property, including, without limitation, unstable soil or landfills.

4.17 Patriot Act and Related Matters.

(a) Borrower complies and will comply at all times with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction of Borrower and the Property, including those relating to money laundering and terrorism. Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction of Borrower and the Property, including, without limitation, those relating to money laundering and terrorism. If Borrower fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then Lender may, at its option, cause Borrower to comply therewith and any and all costs and expenses incurred by Lender in connection therewith shall be secured by the Security Instrument and the other Loan Documents and shall be immediately due and payable.

(b) None of Borrower, any Guarantor or any Member: (i) is listed on any Government Lists; (ii) is a Person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof; (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any

Patriot Act Offense (as defined below); or (iv) is not currently under investigation by any Governmental Authority for alleged criminal activity. For purposes hereof, the term “**Patriot Act Offense**” means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or the (E) Patriot Act. “Patriot Act Offense” also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term “**Government Lists**” means (1) the Specially Designated Nationals and Blocked Persons Lists maintained by Office of Foreign Assets Control (“**OFAC**”); (2) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Lender notified Borrower in writing is now included in Government Lists; or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other government authority or pursuant to any Executive Order of the President of the United States of America that Lender notified Borrower in writing is now included in Government Lists.

(c) Borrower and each Guarantor is in compliance with all Federal Trade Embargos and Anti-Corruption Obligations in all material respects. No Embargoed Person owns any direct or indirect equity interest in Borrower or any Guarantor. To Borrower’s knowledge, no tenant at the Property is identified on the OFAC List. Borrower has implemented procedures, and will consistently apply those procedures throughout the term of the Loan, to ensure that the foregoing representations and warranties remain true and correct during the term of the Loan.

4.18 No Additional Liabilities of Borrower and/or Guarantors Not Previously Disclosed in Writing to Lender. Neither Borrower nor any of the Guarantors have any Indebtedness other than Permitted Indebtedness. Borrower has delivered to Lender true correct and complete copies of all documents and agreements evidencing, securing or otherwise relating to the Permitted Specified Indebtedness. Notwithstanding anything to the contrary contained hereunder or under any of the other Loan Documents, neither Borrower nor any Guarantor, as applicable, has any obligation which was not previously disclosed to Lender in writing, which obligation would have a Material Adverse Effect upon any of (a) Borrower’s or any Guarantor’s ability to perform hereunder or under any of the other Loan Documents, (b) Borrower’s ability to timely and fully repay the Loan (and all amounts due in connection therewith) as required under the Note, this Agreement and the other Loan Documents, (c) Borrower’s ability now or in the future to operate and renovate the Property (as required hereunder). There are no material defaults, breaches or violations existing in respect of any Permitted Indebtedness by any party thereto and no event has occurred that, with the passage of time or the giving of notice, or both, would constitute a material default, breach or violation by any party thereunder, except to the extent that any of the foregoing have been waived in writing by the applicable holder of such Permitted Indebtedness. No borrower, guarantor or other party obligated in respect of the Permitted Indebtedness has given or received any notice of default under any of the Permitted Indebtedness that remains uncured or in dispute. Neither the execution or delivery of the Loan Documents nor Borrower’s or any Guarantor’s performance thereunder will require any consent of the lender or any other counterparty in respect of the Permitted Indebtedness that has not been obtained.

4.19 ERISA. Except as disclosed in **Schedule 4.19**, neither Borrower nor any ERISA Affiliate maintains, contributes to, has any obligation to contribute to, or has any direct or indirect liability with respect to any “employee benefit plan,” “multiemployer plan,” or any other “plan” (each as defined in ERISA). Borrower is not an “employee benefit plan,” as defined in Section 3(3) of ERISA, subject to Title I of ERISA, a “plan,” as defined in Section 4975(e)(1) of the Code, subject to Code Section 4975, or a “governmental plan” within the meaning of Section 3(32) of ERISA. None of the assets of Borrower constitutes “plan assets” of one or more of any such plans under 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of the Code. The transactions contemplated by the Loan Documents and the Environmental Indemnity Agreement by or with Borrower do not violate state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans and such state statutes do not in any manner affect the ability of Borrower to perform its obligations under the Loan Documents or the ability of Lender to enforce any and all of its rights under this Agreement and the other Loan Documents. If an investor or direct or indirect equity owner in Borrower is a plan that is not subject to Title I of ERISA or Section 4975 of the Code, but is subject to the provisions of any federal, state, local, non-U.S. or other laws or regulations that are similar to those portions of ERISA or the Code, the assets of the Borrower do not constitute the assets of such plan under such other laws. “**ERISA Affiliate**” means any corporation or trade or business that is a member of any group of organizations (a) described in Section 414(b) or (c) of the Code, of which Borrower is a member, and (b) solely for purposes of potential liability under Section 302(b)(2) of ERISA and Section 412(b)(2) of the Code and the lien created under Section 303(k) of ERISA and Section 430(k) of the Code, described in Section 414(m) or (o) of the Code, of which Borrower is a member.

4.20 Investment Company Act; Public Utility Holding Company Act. Borrower is not (a) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; (b) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

4.21 Contracts.

(a) Neither Borrower nor any Guarantor has entered into, or is bound by, any Material Contract which continues in existence, except as set forth on **Schedule 4.21**. The term “**Material Contract**” means any contract (other than the Loan Documents) (a) that requires payment by Borrower of more than \$5,000,000.00 per year, or (b) is with an Affiliate of Borrower or any Guarantor.

(b) Borrower has delivered true, correct and complete copies of the Material Contracts (including all amendments and supplements thereto) to Lender.

(c) Except as otherwise set forth in **Schedule 4.21**, each of the Material Contracts is in full force and effect and there is no default, breach or violation existing thereunder by any party thereto and no event has occurred that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any party thereunder. Borrower has not given or received any notice of default under any of the Material Contracts that remains

uncured or in dispute. Neither the execution or delivery of the Loan Documents nor Borrower's performance thereunder will adversely affect Borrower's rights under the Material Contracts.

4.22 Solvency. Borrower has (a) not entered into the transaction contemplated by this Agreement or executed the Loan Documents with the actual intent to hinder, delay or defraud any creditor and (b) received reasonably equivalent value in exchange for its obligations under such Loan Documents. Borrower's and each Guarantor's assets as a whole exceeds and will, immediately following the making of the Loan, exceed Borrower and Guarantors' total liabilities as a whole, including subordinated, unliquidated, disputed and contingent liabilities. To the best of its knowledge, Borrower and each Guarantor's assets as a whole do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. No petition in bankruptcy has been filed against Borrower or any of the Subsidiaries, and neither Borrower nor Subsidiary has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. None of Borrower or any Subsidiary, or any of their respective direct or indirect owner is contemplating either the filing of a Bankruptcy Action by Borrower or a Subsidiary, and Borrower has no knowledge of any Person contemplating the filing of any such petition against it or any Subsidiary. Neither Borrower nor any Guarantor is contemplating the liquidation of all or a major portion of its assets or properties.

4.23 Compliance with Law; Government Approvals. Borrower, Guarantor and the Property, as applicable, and the use thereof and operations thereat, comply with all State Cannabis Laws and other Legal Requirements. **Schedule 4.23** sets forth a true, correct and complete list of all Regulatory Licenses maintained by Borrower and Guarantor.

4.24 Use of Property. The Property is being used exclusively in connection with the Cannabis Business and the Support Business, as applicable.

4.25 Use of Funds. Borrower hereby warrants, represents and covenants that all funds disbursed hereunder shall be used for business or commercial purposes and that no funds disbursed hereunder shall be used for personal, family or household purposes.

4.26 Prohibited Persons. No Borrower, Guarantor, any of their Affiliates nor, to the best of Borrower's knowledge, any of their respective direct or indirect equityholders, has ever (i) knowingly conducted any business, or engage in any transaction or dealing, with any Embargoed Person, including the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Embargoed Person, or (ii) knowingly engaged in or conspired to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any Federal Trade Embargo.

4.27 Cost Basis. The purchase price of the Property located at (a) 26889 Encinal Road, Salinas, California, was \$10,814,425 when Encinal Production RE LLC acquired such Property and (b) 66205 Paul Road, Desert Hot Springs, California was \$2,600,000 when Accucanna RE, LLC acquired such Property.

ARTICLE V REPORTING COVENANTS

Borrower covenants and agrees that, on and after the date hereof, until payment in full of the Loan and other amounts payable under the Loan Documents:

5.1 Financial Statements and Other Financial and Operating Information.

Borrower and each Guarantor shall keep and maintain or shall cause to be kept and maintained, on a calendar year basis, in accordance with the Accounting Standard or other accounting method approved by Lender, consistently applied, books, records and accounts reflecting in reasonable detail all of the financial affairs of Borrower and all items of income and expense in connection with the operation of the Property. Borrower shall deliver or cause to be delivered to Lender:

(a) Monthly Operating Statements. Prior to the last Business Day of each month during the Loan term, operating statements for Borrower, Guarantor and each Property for the prior calendar month, with variance to budget reporting.

(b) Quarterly Operating Statements; DSCR Calculations. Within forty-five (45) days (or, if the Accounting Standard is IFRS, sixty (60) days) following the end of each calendar quarter (excluding the fourth (4th) calendar quarter) during the Loan term, (i) financial statements of Borrower, Guarantor and each Property, consisting of a balance sheet, income statement and statement of sources and uses of funds, together with related schedules and supporting reports, when applicable, for such quarter with variance to budget reporting and (ii) a certification by Borrower of the Debt Service Coverage Ratio, Net Income, Adjusted EBITDA and Excess Cash Flow of Borrower and its Subsidiaries, on a consolidated basis, for such quarter.

(c) Annual Financial Statements. Within ninety (90) days (or, if the Accounting Standard is IFRS, one hundred twenty (120) days) after the end of each calendar year, (i) annual audited financial statements of Borrower and each Guarantor, consisting of a balance sheet, income statement and statement of sources and uses of funds, together with related schedules and supporting reports, when applicable and (ii) a certification by Borrower of the Debt Service Coverage Ratio, gross revenue, operating expenses and Excess Cash Flow of Borrower and its Subsidiaries, on a consolidated basis and calculated in accordance with the Accounting Standard, for such quarter. Such financial statements shall be prepared on the basis of the Accounting Standard, or another accounting method approved by Lender, and shall be accompanied by a certificate executed by Borrower or such Guarantor, certifying the completeness, fairness and consistency thereof. In addition to the foregoing, if Borrower procures an audit of its financial statements, then Borrower must promptly provide a copy of such audited financial statements to Lender after they are completed. In addition, Borrower shall provide annual copies of updated and audited financials for each Guarantor to Lender within fifteen (15) days following the date of final preparation of each such financial statement (but in no event shall such audited financial statements for an applicable calendar year be delivered to Lender later than one hundred twenty (120) days after the end of that calendar year). Notwithstanding the foregoing, if the Merger Transactions do not close, Loudpack and Urbn Leaf will provide 2021 annual audited financial statements of Borrower and each Guarantor within 120 days of the Merger Termination Date and if the Merger Transactions do close, Loudpack and Urbn Leaf will not provide Lender with 2021 annual audited financial statements and Lender shall rely on the consolidated 2021 and all future annual audited

financial statements of Harborside as the Loudpack and Urbn Leaf financial statements will not be independently audited after the Merger Transactions close. All audited statements shall be audited by a reputable accounting firm acceptable to Lender.

(d) Annual Budget. Borrower shall submit to Lender by November 1 of each year the proposed annual operating budget for the succeeding Fiscal Year. Lender shall have the right to approve each annual operating budget if and so long as a Cash Management Period is in effect. Each annual operating budget delivered to Lender and approved by Lender shall hereinafter be referred to as an “**Approved Annual Budget**”. Until such time during a Cash Management Period when any annual operating budget has been approved by Lender, the prior Approved Annual Budget shall apply for all purposes hereunder (with such adjustments as reasonably determined by Lender to reflect actual increases in Property Taxes, Insurance Premiums and utility expenses); provided, however, that if a Cash Management Period commences after January 1 of such year and the Annual Budget for such year has already been adopted by Borrower, then the annual operating budget then in effect shall be the Approved Annual Budget for such first year only. So long as a Cash Management Period is in effect, Borrower shall not change or modify the annual Budget that has been approved by Lender without the prior written consent of Lender. During the continuance of any Cash Management Period, Borrower and its Subsidiaries shall not incur or pay any expenses other than in accordance with the Approved Annual Budget.

(e) Knowledge of Event of Default. Promptly upon Borrower obtaining knowledge of (i) any condition or event which constitutes an Event of Default or Default, or (ii) any condition or event which has or will have a Material Adverse Effect, written notice specifying the nature and period of existence of any such condition or event, or specifying the notice given or action taken by Borrower and the nature of such claimed Event of Default, Default or other event or condition, and what action Borrower has taken, is taking and proposes to take with respect thereto.

(f) Litigation, Arbitration or Government Investigation. Promptly upon Borrower obtaining knowledge of (i) the institution of, or threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting Borrower, Guarantor the Property or any other Collateral not previously disclosed in writing by Borrower to Lender pursuant to this section, including any eminent domain or other condemnation proceedings affecting the Property; or (ii) any material development in any action, suit, proceeding, governmental investigation or arbitration already disclosed, which, in either case, has a Material Adverse Effect upon Borrower, Guarantor, the Property or any other Collateral, written notice thereof to Lender and such other information as may be available to it to enable Lender and its counsel to evaluate such matters.

(g) Additional Material Items. Promptly upon Borrower or any Guarantor obtaining knowledge of (i) any Lien or claim made or asserted against any of the Collateral (other than Permitted Encumbrances) or Excluded Assets; (ii) any loss, damage, or destruction to the Collateral in the amount of \$100,000 or more, whether or not covered by insurance; (iii) any and all default notices given or received under or with respect to (x) the Real Property, (y) any Material Contract and (z) any payment plan in respect of any Permitted Tax Indebtedness or other taxes paid pursuant to any such plan; (iv) any termination or non-renewal of any Material Contract or the receipt by any Person of any written notice from the other party to any Material Contract of such party's intent to terminate or not renew such Material Contract; (v) entering into a new

Material Contract; and (vi) notice of any rejection or non-renewal of any Regulatory License or other Government Approval that is material to the conduct of the Borrower or such Guarantor's business, as applicable, and such other material information as may be readily available to it to enable Lender and its counsel to evaluate such matters.

(h) **Organizational Documents.** Pursuant to Section 4.1 above, a true, correct and complete copy of Borrower's and each Guarantor's articles of incorporation and bylaws, limited partnership or limited liability company operating agreement; and promptly following the date thereof, any amendments or modifications thereof entered into in accordance with and as may be expressly permitted under, this Agreement and the other Loan Documents.

(i) **Other Information.** Such other material information, reports, contracts, schedules, lists, documents, agreements and instruments in the possession or control of Borrower or any Guarantor with respect to (i) the Collateral, or (ii) the business, assets, condition (financial or otherwise), income or prospects of Borrower as Lender may from time to time reasonably request, including, without limitation, annual information with respect to cash flow projections, budgets, operating statements (current year and immediately preceding year), equity funding requirements, contingent liability summaries, projections of leasing fees and overhead budgets.

5.2 Environmental Notices. Borrower shall promptly notify Lender in writing after Borrower's learning thereof of any of the following: (a) a discovery of any Hazardous Materials on, under or about the Property, other than Hazardous Materials temporarily in transit through the Property; (b) any knowledge by Borrower that the Property does not comply with any Hazardous Materials Laws; and/or (c) any claims alleging that Borrower or the Property is not in compliance with or has violated Hazardous Materials Laws.

ARTICLE VI OTHER COVENANTS

Borrower covenants and agrees that, on and after the date hereof, until indefeasible payment in full of the Loan and other amounts payable under the Loan Documents:

6.1 Existence. Borrower shall, and shall cause each Guarantor to, at all times maintain its corporate, partnership or limited liability company existence, and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights to do business in, and shall remain in good standing in, each jurisdiction in which the character of the properties owned or leased by it therein or in which the transaction of its business makes such qualification necessary.

6.2 Compliance. Borrower shall, and shall cause each Guarantor to, comply with all covenants, conditions, restrictions, Leases, easements, reservations, rights and rights-of-way and all applicable Legal Requirements relating to the Property (including, without limitation, all State Cannabis Laws, Hazardous Materials Laws and the ADA), and Borrower shall, and shall cause each Guarantor to, obtain and maintain in full force and effect all required approvals, consents, licenses and permits of any Governmental Authority (including all Regulatory Licenses). Borrower shall notify Lender promptly of any written notice or order that Borrower receives from any Governmental Authority relating to Borrower's or any Guarantor's failure to comply with

such applicable Legal Requirements. There shall never be committed by Borrower or Guarantor, and Borrower shall not, and shall not suffer or permit any Guarantor to, permit any other Person in occupancy of or involved with the operation or use of the Property to commit any act or omission affording any Governmental Authority the right of forfeiture against the Property or any part thereof or any monies paid in performance of Borrower's or any Guarantor's obligations under any of the Loan Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture.

6.3 Payment of Property Taxes, Assessments and Charges. Borrower shall, and shall cause each Guarantor to, pay all Property Taxes and Insurance Premiums with respect to itself and the Property at least fourteen (14) days prior to such payment's due date and provide Lender with evidence of such payment. Borrower or any Guarantor may, at its expense, after prior notice to Lender, contest by appropriate proceedings conducted in good faith and with due diligence, the validity or application of any Legal Requirements or Property Taxes and may withhold payment of the same pending such proceedings if permitted by law, as long as (a) in the case of any Property Taxes, such proceedings shall suspend the collection thereof from the Property; (b) neither the Property nor any part thereof or interest therein will be sold, forfeited or lost if Borrower or Guarantor pays the amount or satisfies the condition being contested, and Borrower or Guarantor would have the opportunity to do so, if Borrower or Guarantor fails to prevail in such contest; (c) Lender would not, by virtue of such permitted contest, be reasonably be expected to be exposed to any risk of civil or criminal liability, and neither the Property nor any part thereof or any interest therein would be subject to the imposition of any Lien for which Borrower has not furnished additional security as provided in clause (d) below, as a result of the failure to comply with any Legal Requirement of such proceeding which would not be released if Borrower or Guarantor pays the amount or satisfies the condition being contested, and Borrower or Guarantor would have the opportunity to do so, if Borrower or Guarantor fails to prevail in the contest; and (d) Borrower shall have furnished to Lender additional security in respect of the claim being contested or the loss or damage that may result from Borrower's failure to prevail in such contest in such amount as may be requested by Lender, but in no event less than one hundred twenty-five percent (125%) of the amount of such claim.

6.4 Books and Records. Borrower shall, and shall cause each Guarantor to,; (a) maintain full and complete books of account and other records reflecting the results of its operations in accordance with the Accounting Standard or another accounting method approved by Lender, consistently applied; and (b) permit Lender and its agents, at any time and from time to time, upon notice reasonable under the circumstances, which may be written or oral, to inspect and copy all of such books and records.

6.5 Entry and Inspection. Lender and its authorized representatives shall, at all times during normal business hours, upon notice reasonable under the circumstances, which may be written or oral (except in the case of exigent circumstances, in which case no prior notice need be given), and subject to compliance with State Cannabis Laws, have the right of entry and free access to the Property to inspect the Property for any purpose including, without limitation, the evaluation of the existence, location, nature and magnitude of any Hazardous Materials, and Borrower's compliance with Hazardous Materials Laws.

6.6 Use of Proceeds. Borrower shall use the proceeds of Tranche 1 of the Loan solely for the payment of expenses described in Section 2.2.

6.7 Additional Liabilities.

(a) Without the prior written consent of Lender, which may be granted or withheld in Lender's sole and absolute discretion: (i) Borrower shall not, and shall not cause or permit any Guarantor to, (directly or indirectly) incur any Indebtedness or obligations with respect to Borrower or any Guarantor other than the indebtedness and obligations of Borrower under or by this Agreement and Indebtedness that is Permitted Indebtedness; (ii) Borrower shall not cause or permit any additional Liens to encumber or otherwise affect title to the Property or the other Collateral; (iii) Borrower shall not enter into any PACE Loan; and (iv) Borrower shall not cause or permit any partner, member or other equity interest holder in Borrower or any Guarantor or any direct or indirect partner, member or other equity interest holder in any Guarantor to mortgage, pledge, hypothecate or encumber such Person's partnership, membership or other equity interest in Borrower, any Guarantor or any direct or indirect partner, member or other equity interest holder in any Guarantor.

(b) Except as may otherwise be provided in the Loudpack Subordination Agreement, in the event that Borrower or any Subsidiary shall at any time issue or have outstanding any Subordinated Indebtedness other than the Permitted Specified Indebtedness, Borrower shall take or cause such Subsidiary to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Lender to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lender may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

6.8 Leases. Borrower shall not, and shall not suffer or permit any Guarantor to, enter into any Lease without Lender's prior written approval, which shall not be unreasonably withheld or delayed.

6.9 Limitations on Distributions and Repayment of Certain Indebtedness; Other Agreements in Respect of Permitted Specified Indebtedness. At all times during the term of the Loan, (a) Borrower shall not and shall not permit any Guarantor, except as described in Section 6.9(b) below, to distribute any money or other property to any Member or other Equity Interest holder in Borrower, whether in the form of earnings, income or other proceeds from the Property or other operations of Borrower or the Subsidiaries; (b) Borrower shall not and shall not permit any Guarantor to repay any principal or interest on any Subordinated Indebtedness except as specified in **Schedule 6.9** or other advance made to Borrower or any Guarantor by any Member in Borrower except as specified in **Schedule 6.9**, and (c) Borrower shall not, and shall not suffer or permit any Guarantor to, loan or advance any funds to any Member in Borrower; provided,

however, that, so long as no Event of Default or Cash Management Period then exists, Borrower shall have the right to repay, out of equity funds or cash flow, any Subordinated Indebtedness or Permitted Indebtedness. Borrower shall deliver or cause to be delivered to Lender copies of all notices of default and other material correspondence given or received by Borrower or any of its Affiliates in respect of the Permitted Specified Indebtedness.

6.10 Subdivision Maps; Zoning; Joint Assessment. Borrower shall not and shall not cause or permit any Guarantor to record any final map, parcel map, lot line adjustment or other subdivision map of any kind covering any portion of the Property (or portion thereof) (each, a “**Subdivision Map**”), or otherwise subdivide in any way, in each and every case, only with Lender’s prior written consent, which consent may be granted or withheld in Lender’s sole and absolute discretion. Borrower shall not and shall not cause or permit any Guarantor to materially change the Property’s use or initiate, join in or consent to any (a) change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the Property’s uses or any part thereof (including filing a declaration of condominium, map or any other document having the effect of subjecting the Property to the condominium or cooperative form of ownership), except those necessary in connection with the uses permitted pursuant to this Agreement; or (b) joint assessment of the Property with any other real or personal property.

6.11 ERISA Compliance. Borrower shall, and shall cause each Guarantor to, take or refrain from taking, as the case may be, such actions as may be necessary to cause the representations and warranties in Section 4.19 to remain true and correct throughout the term of the Loan.

6.12 Transfers. If the Equity Interests in Borrower cease to be traded on a nationally or internationally recognized public exchange, no Person, whether alone or together with its Affiliates, shall be permitted to have or acquire control over Borrower without the prior written consent of Lender. Other than the factoring and settlement of accounts receivables through LeafLink or other similar programs in the ordinary course of business as described in the definition of Permitted Indebtedness, Borrower shall not suffer or permit any Transfer (with the definition thereof being deemed amended *mutatis mutandis* to apply to the following) of any assets of any Guarantor to any Affiliate of Borrower that is not a Guarantor, except as may be expressly permitted pursuant to this Section 6.12, without the prior written consent of Lender, which may be granted or withheld in Lender’s sole and absolute discretion. For the avoidance of doubt, nothing herein shall prohibit the Borrower or any Guarantor from transferring or conveying any of its assets or equity interests in entities that are themselves not a Guarantor to a third party or otherwise disposing of such assets in its sole discretion, if such assets do not constitute Property or Collateral, including without limitation, the assets described in **Schedule 6.12** hereof.

6.13 Liens. Borrower shall not create, incur, assume or permit to exist any Lien on any direct or indirect interest in Borrower, any Guarantor or any Subsidiary owning any direct or indirect interest in any Guarantor or any portion of the Property or the Collateral, except for the Permitted Encumbrances. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity of any Liens, provided that (a) no Event of Default has occurred and remains uncured; (b) such proceeding shall be permitted under and be conducted in accordance with all applicable Legal Requirements; (c) none of the Collateral, the Property nor any part thereof

or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (d) Borrower shall promptly upon final determination thereof pay the amount of any such Liens, together with all costs, interest and penalties which may be payable in connection therewith; (e) to insure the payment of such Liens, Borrower shall deliver to Lender either (i) cash, or other security as may be approved by Lender, in an amount equal to one hundred twenty-five percent (125%) of the contested amount, or (ii) a payment and performance bond in an amount equal to one hundred percent (100%) of the contested amount from a surety acceptable to Lender in its reasonable discretion; (f) failure to pay such Liens will not subject Lender to any civil or criminal liability; (g) such contest shall not affect the ownership, use or occupancy of the Property; and (h) Borrower shall, upon request by Lender, give Lender prompt notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in the foregoing clauses (a) through (h). Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is established or the Collateral, the Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Security Instrument being primed by any related Lien.

6.14 Special Purpose Entity. Borrower shall not permit any Guarantor who is also a Real Property owner or a Cannabis Business license holder to (a) fail to be a Special Purpose Entity; (b) to the fullest extent permitted by applicable Legal Requirements, engage in any dissolution, liquidation, or consolidation or merger (other than the Merger Transactions) with or into any other business entity; or (c) modify, amend, waive or terminate its organizational documents.

6.15 Fundamental Changes. Except as otherwise contemplated by the Merger Agreements, Borrower shall not, and shall not suffer or permit any Guarantor to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or otherwise dispose of all or any substantial part of its assets, or all or substantially all of the Equity Interests of any of its subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, without the prior written consent of Lender. Borrower shall not, and shall not suffer or permit any Guarantor to, engage in any business other than the Support Business or the Cannabis Business, as applicable. Borrower shall not, and shall not suffer or permit any Guarantor to, change the type of entity that it is. Borrower shall not, and shall not suffer or permit any Guarantor to, change its state of incorporation or organization, in each case, unless Lender shall have received at least 30 days prior written notice of such change and Lender shall have acknowledged in writing that either (1) such change will not adversely affect the validity, perfection or priority of Lender's security interest in the Collateral, or (2) any reasonable action requested by Lender in connection therewith has been completed or taken (including any action to continue the perfection of any Liens in favor of the Lender in any Collateral), provided that, any new location of incorporation or organization shall be in the continental United States or Canada.

6.16 Maintenance; Waste; Alterations. Borrower shall and shall cause each applicable Subsidiary to at all times keep the Property in good repair, working order and condition, except for reasonable wear and use. Borrower shall obtain Lender's prior written consent to any alterations that affect the structure or building systems of any Property or otherwise cost in excess of One Million and 00/100 Dollars (\$1,000,000.00) to any Improvements, which consent shall not be unreasonably withheld or delayed, except with respect to any alterations to any Improvements

which may have a material adverse effect on Borrower's financial condition, the value of the Property or its net operating income.

6.17 Material Contracts. Except to the extent otherwise expressly permitted hereunder, Borrower shall not (and shall not permit any other Person to) enter into, amend, modify, supplement or terminate any Material Contract without the prior written consent of Lender in its reasonable discretion (except that such approval shall be in Lender's sole discretion if the counterpart under such Material Contract is an Affiliate of Borrower). Borrower shall not, and shall not suffer or permit any Guarantor to, enter into any agreement that prohibits or impairs Borrower or such Guarantor from performing its obligations under this Agreement and the other Loan Documents, or that is otherwise inconsistent with or in violation of this Agreement or the other Loan Documents. Borrower shall not, and shall not suffer or permit any Guarantor to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement (other than the Loan Documents or as required by Legal Requirements) that prohibits, restricts or imposes any condition upon the ability of such Person or its Members, as applicable, to create, incur or permit to exist any Lien, other than a Permitted Encumbrance, upon any of its property or assets. Borrower shall not, and shall not suffer or permit any Guarantor to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement (other than the Loan Documents or as required by Legal Requirements) that prohibits, restricts or imposes any condition upon the ability of such Person to create, incur or permit to exist any Lien upon any of its Collateral or Excluded Assets.

6.18 Deferred Maintenance and Environmental Remediation. Borrower shall, and shall cause each Guarantor to, perform the deferred maintenance work and environmental remediation to the Property itemized on **Schedule 6.18** hereto within six (6) months after the Effective Date.

6.19 Cannabis Related Provisions.

(a) Permitting. In the event the Property is used by Borrower or is leased to a tenant that uses or intends to utilize the Property to conduct a Cannabis Business, Borrower agrees that it shall not, and shall not suffer or permit any Guarantor to, operate, nor allow any such tenant to operate, any Cannabis Business at the Property without first receiving proof of compliance with applicable State Cannabis Laws and other Legal Requirements, which proof it shall promptly deliver to Lender. Evidence of compliance shall include a copy of a permit issued by the City in which the Property is located authorizing Borrower or tenant, as applicable, to operate a Cannabis Business at the Property, along with any other material license, permit, or Material Contract required by any Governmental Authority to operate the Support Business or the Cannabis Business.

(b) Restricted Activities. Borrower shall not, and shall not suffer or permit any Guarantor to, engage in any Restricted Cannabis Activity.

(c) Licenses. Borrower shall, and shall cause each Guarantor to, preserve and maintain in full force and effect each of the Regulatory Licenses.

6.20 Prohibited Persons. Borrower shall not, and shall cause each Guarantor not to (i) knowingly conduct any business, or engage in any transaction or dealing, with any Embargoed Person, including the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Embargoed Person, or (ii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any Federal Trade Embargo.

6.21 Merger Transactions. Borrower shall diligently pursue the consummation of the Merger Transactions in good faith and keep Lender reasonably apprised as to the progress thereof. Borrower shall deliver to Lender copies of all material correspondence sent or received in connection with the Merger Agreements, including without limitation from any Governmental Authorities.

6.22 Right of First Offer. If Borrower or any of its Subsidiaries intends to obtain any Permitted Refinancing Indebtedness with any lender or lenders that were not already lenders with respect to the debt being refinanced, exchanged, replaced, substituted or modified or any Permitted Additional Indebtedness, Borrower shall, or shall cause such Subsidiary to, first offer to Lender the opportunity to provide such Indebtedness by giving Lender written notice of such intent (“**Borrower’s ROFO Notice**”), which notice shall include the amount sought and the material terms requested by Borrower with respect thereto (“**Borrower’s ROFO Terms**”) prior to Borrower or any of its Affiliates offering such opportunity to any other Person. Lender shall have thirty (30) days to respond to Borrower’s ROFO Notice with a written, non-binding letter of intent to provide such Indebtedness in accordance with such terms, or on such other terms as Lender may propose and be willing to accept (“**Lender’s ROFO Terms**”). If Lender fails to notify Borrower of Lender’s ROFO Terms within such thirty (30) day period, Lender shall be deemed to have declined Borrower’s offer. If Lender declines or is deemed to have declined Borrower’s offer as set forth herein, Borrower shall have the right to offer such opportunity to any other Person. If, after Lender so declines or is deemed to have declined Borrower’s offer, Borrower intends to accept terms for such Indebtedness that are more favorable to the lender than Borrower’s ROFO Terms or Lender’s ROFO Terms (the “**New ROFO Terms**”), then Borrower shall be obligated again to offer such opportunity to Lender to provide such Indebtedness on the New ROFO Terms in a new written notice to Lender, in which event Lender shall have the right to accept such offer by giving Borrower a written, non-binding letter of intent containing the New ROFO Terms, within ten (10) days after Lender’s receipt of the New ROFO Terms. If Lender fails to notify Borrower of Lender’s ROFO Terms within such ten (10) day period, Lender shall be deemed to have declined Borrower’s offer with respect to the New ROFO Terms. Any letter of intent signed by Lender pursuant to this Section 6.22 shall be non-binding and subject to such conditions as Lender may require, including negotiation and execution of definitive documents acceptable to Lender and Lender’s satisfaction with such due diligence matters as Lender shall require. Failure of Lender to provide such Indebtedness for any reason following the execution and delivery of any such letter of intent or other expression of acceptance of Borrower’s offer to provide such

Indebtedness shall not result in any liability to Lender.

**ARTICLE VII
INTENTIONALLY OMITTED**

**ARTICLE VIII
INSURANCE; CASUALTY, CONDEMNATION AND RESTORATION**

Borrower covenants and agrees that, on or after the date hereof, until payment in full of the Obligations, Borrower and each Guarantor shall obtain and maintain in effect, at their sole expense, the following policies of insurance in form and substance satisfactory to Lender, each of which, except for the insurance required in Section 8.1, shall have claims paying ability ratings of at least “A-VII” by A.M. Best Company, and shall otherwise be approved by Lender.

8.1 Title Insurance. The Title Policy, together with any endorsements, reinsurance and co-insurance agreements which Lender may require, insuring Lender, in the principal amount of the Loan, that the Security Instrument constitutes a valid first priority Lien on the Real Property, subject only to matters approved by Lender in writing. During the term of the Loan, Borrower shall deliver to Lender, within five (5) days of Lender’s written request, such other endorsements to the Title Policy as Lender may reasonably require.

8.2 Property Insurance. Special Form property insurance coverage, including, but not limited to, coverage for wind, hail, collapse, sinkhole, course of construction and terrorism (full coverage) for an amount not less than one hundred percent (100%) of the replacement cost of the Property (exclusive of costs for foundations, underground utilities and footings) without deduction for physical depreciation. Such all-risk property insurance policy shall contain a lender loss payable endorsement, and not less than the following: (a) a deductible not to exceed Fifty Thousand and No/100 Dollars (\$50,000.00) unless approved in advance by lender; (b) ordinance or law coverage including (i) loss in value to the undamaged portion of the building(s) to full replacement value, (ii) demolition costs with a limit per loss of ten percent (10%) of the value of the building(s) affected by loss, and (iii) increased costs of construction with a limit per loss of twenty percent (20%) of the value of the building(s) affected by loss; (c) machinery and equipment breakdown with coverage including, but not limited to, loss or damage from electrical injury, machinery and equipment breakdown, and explosion of steam boilers, air conditioning equipment, high pressure piping, pressure vessels or similar apparatus; and (d) business income and loss rents coverage in amount equal to the estimated net operating income for the property for a period of twelve (12) months, which may be amended from time to time by Lender, with a 180 day extended period of indemnity. In addition, Loan Party shall obtain (A) if any portion of the improvements is currently or at any time in the future located in a federally designated “special flood hazard area, flood hazard insurance equal to the lesser of (1) the Outstanding Principal Balance or (2) the maximum amount of such insurance available under the National Flood Insurance Program, or such greater amount as Lender shall require; and (B) earthquake insurance in amounts satisfactory to lender, provided that lender shall not require earthquake insurance unless the property is located in an area with a high degree of seismic activity and a Probable Maximum Loss (PML) of greater than 20%, provided that the insurance pursuant to this Section 8.2 shall be on terms consistent with the comprehensive all risk insurance required under this Section.

For any project under renovation or construction, Builders Risk insurance shall be provided. Coverage shall include all perils required under the above Property requirements section. In addition, coverage must include delay in completion coverage, permission to occupy, soft costs and cover all buildings under construction, machinery, equipment, supplies, fences, scaffolding, construction forms, signs, temporary structures, cribbing, false work, foundations, underground pipes and wiring and all other property of any nature which is to be used in fabrication, erection, installation and completion of the project until it is completed and accepted by the owner.

8.3 Liability Insurance. A commercial general liability policy written on a primary and non-contributory basis insuring against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the property, to be on “occurrence” form with limits not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) general aggregate. Coverage must include property and operations, products and completed operations (if applicable), independent contractors and contractual liability for all insured contracts. Coverage must be primary and non-contributory. XCU exclusions are not permitted. If applicable, an auto liability policy covering all company vehicles with a combined single limit of than One Million and No/100 Dollars (\$1,000,000.00) per occurrence. If applicable, a workers compensation and employer’s liability policy with limits not less than statutory limits for workers compensation with employer’s liability limits of \$1,000,000 each accident, each disease and each employee. For any project under renovation or construction, products and completed operations coverage shall be maintained up to the Statute of Repose in the state where the project is located. Additional Insured endorsements shall be issued using CG 2010 1185 or its equivalent (CG 2010 and GC 2037 for versions newer than 1185). The following exclusions are not acceptable: action over exclusions, subcontractor exclusions, construction defect exclusions, leased worker exclusions, crane or scaffolding exclusions, height exclusions.

8.4 Umbrella or Excess Liability Insurance. A commercial umbrella or excess liability policy with limits not less than Four Million and No/100 Dollars (\$4,000,000.00) or primary limits for products and Five Million and No/100 Dollars (\$5,000,000.00) for premises liability. For the avoidance of doubt, in no event shall the combined limit of liability insurance be less than Five Million and No/100 Dollars (\$5,000,000.00). This policy shall schedule the following policies as “underlying”: Commercial General Liability, and Employer’s Liability. The coverage shall be as broad as all underlying policies and shall not contain any additional exclusions not found on the underlying coverage.

8.5 Intentionally Omitted.

8.6 General Insurance Requirements. The following additional requirements are also applicable:

(a) Insurance Premiums on all policies must be paid at least 14 days prior to the date any payment therefor is due in accordance with any applicable payment plan;

(b) No insurance policy required hereunder shall be permitted to provide for premium assessments to be made against Lender;

(c) Borrower shall provide the following prior to the Effective Date: (i) an Acord 25, Acord 25S or equivalent certificate of liability insurance and (ii) an Acord 28 or equivalent certificate of property insurance, which shall name Borrower and all Guarantors as named insureds and include coverage for all real property owned or leased by a Loan Party; and shall provide endorsements to each policy reflecting the foregoing designations;

(d) Each policy shall be endorsed to contain not less than a thirty (30) day notice to Lender of written cancellation or material change and not less than ten (10) days prior notice to Lender of cancellation for non-payment of premium;

(e) Prior to the inception of the Loan and prior to the renewal date of each insurance policy required hereunder, Borrower shall provide certificates of insurance providing evidence that the policies have been renewed;

(f) Lender may, at any time, request and be provided, complete copies of the insurance policies providing the coverage required hereunder or copies of specific endorsement supporting the Acords;

(g) Lender to be named (i) the first mortgagee and lender loss payee with respect to the property insurance coverage, and (ii) an additional insured with respect to general liability and umbrella or excess liability insurances, as follows:

Pelorus Fund REIT, LLC ISAOA, ATIMA
6259 Riverside Avenue, Suite 280
Riverside, CA 92506

(h) A waiver of subrogation, shall be provided on all policies of insurance waiving rights of recovery against Lender; and

(i) The limits of insurance contained herein are minimum limits established by Lender and shall not be construed to mean that Lender represents or warrants that the required limits contained herein are adequate for protection to Borrower or the Guarantors.

(j) All policies required pursuant to this section shall be issued by companies authorized to do business in the state there the property is located with (1) a financial strength and claims paying ability rating of A or better by S&P or A- VII (7) or better by AM Best.

8.7 Restoration Proceeds.

(a) Any and all awards, compensation, reimbursement, damages, proceeds, settlements, and other payments or relief paid or to be paid, together with all rights and causes of action relating to or arising from, (i) any insurance policy maintained by or on behalf of Borrower following any damage, destruction, casualty or loss to all or any portion of the Property (a “**Casualty**”, and such proceeds, “**Insurance Proceeds**”) or (ii) any temporary or permanent taking or voluntary conveyance of all or part of the Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of, any condemnation or other eminent domain proceeding by any Governmental Authority whether or not the same shall have actually been commenced (a “**Taking**”, and such proceeds, “**Condemnation Proceeds**”, and together with

Insurance Proceeds, collectively, “**Restoration Proceeds**”) are hereby assigned to Lender as additional collateral security hereunder subject to the Lien of the Security Instrument, to be applied in accordance with this Article V. Lender shall be entitled to receive and collect all Restoration Proceeds, and Borrower shall instruct and cause the issuer of each policy of insurance described herein and any applicable Governmental Authority to deliver to Lender all Restoration Proceeds. Borrower shall and shall cause the Guarantors to execute such further assignments of the Restoration Proceeds as Lender may from time to time reasonably require. Notwithstanding the foregoing, if the Restoration Proceeds, less the amount of Lender’s costs and expenses (including attorneys’ fees and costs) incurred in collecting the same (the “**Net Restoration Proceeds**”), are One Hundred Thousand and No/100 Dollars (\$100,000.00) or less (the “**Restoration Proceeds Threshold**”), provided no Event of Default then exists, Lender shall make such Net Restoration Proceeds available to Borrower and the Guarantors. All Insurance Proceeds received by Borrower or Lender in respect of business interruption coverage, and all Condemnation Proceeds received with respect to a temporary Taking available to Borrower or the Guarantors, shall be deposited in a segregated escrow account with Lender or its servicer, as applicable, and Lender shall estimate the number of months required for Borrower or the Guarantors to restore the damage caused such Casualty or replace cash flow interrupted by such temporary Taking, as applicable, and shall divide the aggregate proceeds by such number of months, and, provided no Event of Default then exists, shall disburse a monthly installment thereof to Borrower or the applicable Guarantor each such month. Subject to Lender’s rights under Section 8.7, provided no Event of Default has occurred and is continuing and the Restoration has been completed in accordance with this Agreement, any Net Restoration Proceeds available to Borrower and the Guarantors for Restoration, to the extent not used by Borrower or the Guarantors in connection with, or to the extent they exceed the cost of such Restoration and any costs incurred by Lender, shall be paid to Borrower or the applicable Guarantor.

(b) Lender shall be entitled at its option to participate in any compromise, adjustment or settlement in connection with (i) any insurance policy claims relating to any Casualty, and (ii) any Taking in an amount in controversy, in either case, in excess of the Restoration Proceeds Threshold, and Borrower shall within ten (10) Business Days after request therefor reimburse Lender for all reasonable out-of-pocket expenses (including reasonable attorneys’ fees and disbursements) incurred by Lender in connection with such participation. Borrower shall not and shall not permit any Guarantor to make any compromise, adjustment or settlement in connection with any such claim in excess of the Restoration Proceeds Threshold or if an Event of Default then exists without the prior written approval of Lender. Borrower shall not and shall not permit any Guarantor to make any compromise, adjustment or settlement in connection with any claim unless same is commercially reasonable.

(c) If and to the extent Restoration Proceeds are not required to be made available to Borrower or any Guarantor to be used for the Restoration of the Improvements affected by the Casualty or Taking, as applicable, pursuant to this Agreement, Lender shall be entitled, without Borrower’s or any Guarantor’s consent, to apply such Restoration Proceeds or the balance thereof, at Lender’s option either (i) to the full or partial payment or prepayment of the Obligations; provided that such payment or prepayment shall not require any defeasance of the Loan, or (ii) to the Restoration of all or any part of such Improvements affected by the Casualty or Taking, as applicable.

8.8 Restoration. Borrower shall restore and repair the Property and the other Collateral or any part thereof now or hereafter damaged or destroyed by any Casualty or affected by any Taking; provided, however, that if the Casualty is not insured against or insurable, Borrower shall or shall cause the applicable Guarantor to so restore and repair even though no Insurance Proceeds are received. Notwithstanding anything to the contrary set forth in Section 8.7, Lender agrees that Lender shall make the Net Restoration Proceeds (other than business interruption insurance proceeds, which shall be held and disbursed as provided in Section 8.7) available to Borrower or the applicable Guarantor for such party's restoration and repair of the Improvements affected by the Casualty or Taking (a "**Restoration**"), as applicable, on the following terms and subject to Borrower's and/or such Guarantor's satisfaction of the following conditions; provided, that Lender shall have the right to waive any of the following conditions in its discretion:

(a) At the time of such Casualty or Taking, as applicable, and at all times thereafter there shall exist no Event of Default;

(b) The Property affected by the Casualty or Taking, as applicable, shall be capable of being restored (including replacements) to substantially the same condition, utility, quality and character, as existed immediately prior to such Casualty or Taking, as applicable, in all material respects with a fair market value and projected cash flow of the Property equal to or greater than prior to such Casualty or Taking, as applicable;

(c) Borrower shall demonstrate to Lender's reasonable satisfaction Borrower's ability to pay the Obligations coming due during such repair or restoration period (after taking into account proceeds from business interruption insurance carried by Borrower and the Guarantors);

(d) (i) in the event of a Casualty, the Casualty resulted in an actual or constructive loss of less than thirty percent (30%) of the fair market value of the Property and less than thirty percent (30%) of the usable area of the Property and (ii) in the event of a Taking, the Taking resulted in an actual or constructive loss of less than fifteen percent (15%) of the fair market value of the Property and less than fifteen percent (15%) of the usable area of the Property, less than fifteen percent (15%) of the land constituting the Property is taken, such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is the subject of such Taking;

(e) Borrower shall have or shall have caused the applicable Guarantors to have provided to Lender all of the following, and collaterally assigned the same to Lender pursuant to assignment documents acceptable to Lender: (i) an architect's contract with an architect reasonably acceptable to Lender and complete plans and specifications for the Restoration of the Property lost or damaged to the condition, utility and value prior to the applicable Casualty; (ii) fixed-price or guaranteed maximum cost construction contracts with contractors reasonably acceptable to Lender for completion of the Restoration work in accordance with the aforementioned plans and specifications; (iii) such additional funds (if any) as are necessary from time to time, in Lender's reasonable opinion, to complete the Restoration (which funds shall be held by Lender as additional collateral securing the Obligations and shall be disbursed, if at all, pursuant to this Article VIII); and (iv) copies of all permits and licenses necessary to complete the Restoration in accordance with the plans and specifications and all Legal Requirements;

(f) Borrower shall or shall cause the applicable Guarantors to commence such work within one hundred twenty (120) days after such Casualty or Taking, as applicable, and shall diligently pursue such work to completion;

(g) Lender shall be satisfied that the Restoration will be completed on or before the earliest to occur of (i) the date six (6) months prior to the Maturity Date, (ii) such time as may be required under applicable Legal Requirements in order to repair and restore the Property to the condition it was in immediately prior to such Casualty or such Taking, as applicable, (iii) the expiration of the business interruption insurance coverage referred to above, and (iv) the earliest date required pursuant to the terms of any Lease; and

(h) the Property and the use thereof after the Restoration will be in compliance with all applicable Legal Requirements.

8.9 Disbursement.

(a) Each disbursement by Lender of such Restoration Proceeds shall be funded subject to conditions and in accordance with disbursement procedures which a commercial construction lender would typically establish in the exercise of sound banking practices, including requiring lien waivers and any other documents, instruments or items which may be reasonably required by Lender.

(b) In no event shall Lender be obligated to make disbursements of Restoration Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as determined by Lender, less, as to each contractor, subcontractor or materialman engaged in a Restoration, an amount equal to the greater of (i) ten percent (10%) of the costs actually incurred for work in place as part of such Restoration, as reasonably determined by Lender, and (ii) the amount actually withheld by Borrower or the applicable Guarantor (the “**Casualty Retainage**”). The Casualty Retainage shall not be released until Lender reasonably determines that the Restoration has been completed in accordance with the provisions of this Agreement and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage.

8.10 Change in Insurance Requirements. Lender may at any time amend these insurance requirements due to (a) new information not known by Lender on the Effective Date which poses a material risk to the Property or other Collateral or (b) changed circumstances after the Effective Date which in the reasonable judgment of Lender makes such change necessary, provided in each instance that, so long as no Event of Default is continuing, any such additional insurance is available at commercially reasonable rates. Promptly following the receipt of a notice from Lender, Borrower will and will cause the Guarantors to make such modifications to the terms of any insurance policy as Lender specifies.

8.11 Notification of Loss. Borrower shall promptly notify Lender of any single loss or event likely to give rise to any claim against an insurer for an amount in excess of Fifty Thousand and No/100 Dollars (\$50,000.00) covered by any insurance policies required hereunder.

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default. The occurrence of any one or more of the following, whatever the reason therefor, shall constitute an Event of Default hereunder:

(a) Payment. Borrower shall fail to pay (i) any accrued interest on the Loan or any other regularly scheduled payment or deposit required hereunder within five (5) days following the date when and as the same shall become due and payable, (ii) any portion of the principal amount of the Loan on the Maturity Date or on the date required pursuant to Section 2.10(a), or (iii) any other amount payable by Borrower under the this Agreement or the other Loan Documents within ten (10) days following the date when and as the same shall become due and payable.

(b) Other Covenants. Borrower shall fail to perform any other covenant or agreement to be performed by Borrower under this Agreement or the other Loan Documents, and such failure shall continue for more than thirty (30) days after written notice thereof is given to Borrower by Lender (provided that such thirty (30) day cure period shall not apply to any of the occurrences set forth in clauses (a) or (c) through and including the last lettered paragraph of this Section 9.1).

(c) Liens, Attachments, Condemnation. (i) The recording of any mechanic's lien or claim of lien against in the Property if such lien or claim of lien is not removed or bonded and contested in accordance with Sections 4.1 or 6.13; (ii) the condemnation, seizure or appropriation of, or the occurrence of a material uninsured casualty with respect to, any material portion of the Property; or (iii) the sequestration or attachment of, or any levy or execution upon, any of the Property, any other Collateral, or any substantial portion of the other assets of Borrower or any Guarantor, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of sixty (60) days or the sale of the assets affected thereby.

(d) Representations and Warranties. Any representation or warranty made by Borrower in this Agreement or any of the other Loan Documents or in any certificate, agreement, instrument or other document made or delivered pursuant to or in connection with any of the Loan Documents shall have been false or misleading in any material respect when made.

(e) Dissolution. Borrower or Guarantor is terminated, dissolved or liquidated; or all or substantially all of the assets of Borrower or Guarantor are sold or otherwise transferred or disposed of without Lender's written consent.

(f) Insolvency. (i) Borrower or Guarantor is the subject of an order for relief by any bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or (ii) Borrower or Guarantor applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Borrower or Guarantor, as applicable, and the appointment continues undischarged or unstayed for thirty (30) days; or (iii) Borrower or Guarantor institutes or consents

to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the applicable Legal Requirements of any jurisdiction; or any similar proceeding is instituted without the consent of Borrower or Guarantor, as applicable, and continues undismissed or unstayed for ninety (90) days; or (iv) any judgment, writ, attachment, execution or similar process is issued or levied against all or any part of the property of Borrower or Guarantor and is not released, vacated or fully bonded within sixty (60) days after its issue or levy.

(g) Property Taxes. Any failure to pay Property Taxes prior to delinquency as required by Section 6.3.

(h) Insurance Policies. If the Policies are not kept in full force and effect, or if copies of the certificates evidencing the Policies (or certified copies of the Policies if requested by Lender) are not delivered to Lender within thirty (30) days after written request therefor.

(i) Other Default. The occurrence of any other event, circumstance or condition that constitutes an “Event of Default” under any of the other Loan Documents, beyond the expiration of any applicable grace or cure periods, if any, specified for such breach or default therein, as the case may be.

(j) Certain Covenants. Borrower shall fail to strictly comply with the provisions of Section 6.7 [Additional Liabilities].

(k) Loss of Priority. The failure at any time of the Security Instrument to be a valid first priority Lien upon the Property or any portion thereof, other than as a result of any release or reconveyance of the Security Instrument with respect to any portion of Borrower’s interest in the Property pursuant to this Agreement.

(l) Violation of Legal Requirements. The failure of any Borrower or any Guarantor to comply with any material Legal Requirement, including any State Cannabis Law, or if Borrower or any Guarantor engages in any Restricted Cannabis Activity or fails to maintain a Regulatory License.

(m) Restraint of Operations. Borrower or any Guarantor shall be enjoined, restrained, or in any way prevented by court order or other Governmental Authority from continuing to conduct all or any material part of its business affairs, the effect of which has a Material Adverse Effect on Borrower or any Guarantor, for more than 30 consecutive Business Days.

(n) Other Proceedings. Borrower, any Guarantor, or any officer, director, member or manager thereof shall have been found guilty of an act of fraud or violation of any State Cannabis Law.

(o) Inspection. Any of Lender or its representatives is denied access, at reasonable times during normal business hours with reasonable prior notice, to enter upon the Property, inspect the Improvements and all materials, fixtures and articles used or to be used in connection therewith, and to examine all detailed plans, shop drawings and specifications in

Borrower's possession or control which relate to the Improvements and such default remains uncured for a period of ten (10) Business Days after notice thereof from Lender to the Borrower.

(p) Cross Default-Other Loans. Any default under the terms of any Other Loan, following the expiration of any applicable notice and cure periods, shall at Lender's option, constitute an Event of Default under this Agreement; provided, however, that if either of the Merger Agreements is terminated for any reason, then this clause (p) shall be of no further force or effect with respect to the Other Loan in respect of the Other Loan Borrower whose Merger Agreement was terminated.

(q) Cross Default-Series A Indebtedness, Bay Park Leases or Loudpack Subordination Agreement. Any default under either (i) the documents evidencing, securing or otherwise relating to the Series A Indebtedness, (ii) either Bay Park Lease, or (iii) the Loudpack Subordination Agreement, in each case following the expiration of any applicable notice and cure periods, shall at Lender's option, constitute an Event of Default under this Agreement.

(r) Other Covenants. Borrower shall fail to perform any covenant or agreement to be performed by Borrower pursuant to Section 6.19 [Cannabis Related Provisions] for five (5) days after notice to Borrower from Lender; provided, however, that if such Default is susceptible of cure, but cannot reasonably be cured within such five (5) day period and provided further that Borrower shall have commenced to cure such Default within such five (5) day period and thereafter diligently and expeditiously proceeds to cure the same, such five (5) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period to be commensurate with the cure periods granted by the applicable Governmental Authority with respect to such Default.

9.2 Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers and other remedies available to Lender against Borrower under any Loan Document, or at law or in equity may be exercised by Lender at any time and from time to time (including the right to accelerate and declare the outstanding Obligations to be immediately due and payable), without notice or demand, whether or not all or any portion of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to all or any portion of the Property. Notwithstanding anything contained to the contrary herein, the outstanding Obligations shall be accelerated and immediately due and payable, without any election by Lender upon the occurrence of an insolvency action described in Section 9.1(f).

9.3 Remedies Cumulative. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents executed by or with respect to Borrower, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of any Event of

Default shall not be construed to be a waiver of any subsequent Event of Default or to impair any remedy, right or power consequent thereon. Any and all of Lender's rights with respect to the Property shall continue unimpaired, and Borrower shall be and remain obligated in accordance with the terms hereof, notwithstanding (a) the release or substitution of Property at any time, or of any rights or interest therein, or (b) any delay, extension of time, renewal, compromise or other indulgence granted by Lender upon the occurrence of any Event of Default with respect to the Property or otherwise hereunder. Notwithstanding any other provision of this Agreement, Lender reserves the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Security Instrument on the Property, to the extent necessary to foreclose on other parts of the Property.

9.4 Lender Appointed Attorney-In-Fact. Borrower hereby irrevocably and unconditionally constitutes and appoints Lender as Borrower's true and lawful attorney-in-fact, with full power of substitution, at any time after the occurrence and during the continuance of an Event of Default to execute, acknowledge and deliver any documents, agreements or instruments and to exercise and enforce every right, power, remedy, option and privilege of Borrower under all Loan Documents, and do in the name, place and stead of Borrower, all such acts, things and deeds for and on behalf of and in the name of Borrower under any Loan Document, which Borrower could or might do or which Lender may deem necessary or desirable to more fully vest in Lender the rights and remedies provided for under the Loan Documents and to accomplish the purposes thereof. The foregoing powers of attorney are irrevocable and coupled with an interest.

9.5 Lender's Right to Perform. If Borrower fails to perform any covenant or obligation contained herein for a period of five (5) Business Days after Borrower's receipt of notice thereof from Lender, Lender may, but shall have no obligation to, perform, or cause performance of, such covenant or obligation, and the expenses of Lender incurred in connection therewith shall be payable by Borrower to Lender upon demand, together with interest thereon at the Default Interest Rate. Notwithstanding the foregoing, Lender shall have no obligation to send notice to Borrower of any such failure. At the option of Lender, Lender may apply any amounts in any Reserve Account towards the performance of any such obligation or covenant.

9.6 Affiliate Agreements. Following the foreclosure or deed or assignment in lieu of foreclosure of any Collateral constituting a Primary Pledged Entity or Other Pledged Entity, Lender, its nominee or designee or the purchaser at any foreclosure sale (a "**Successor Owner**") shall have the right to terminate any Indebtedness, contract or agreement, with Borrower or any Subsidiary of Borrower or any of their respective Affiliates that would be binding on such Primary Pledged Entity, Other Pledged Entity or Successor Owner, provided that if any such Indebtedness is so terminated, then all reciprocal obligations or Indebtedness owing by any Primary Pledged Entity or Other Pledged Entity shall likewise be terminated. Borrower makes this agreement on behalf of itself and its Subsidiaries and its and their respective Affiliates and shall take all such action as may be required to cause such parties to abide by such agreement, including without limitation joining in or executing and delivering an acknowledgment of, and agreement to, this Section. This Section shall survive any such foreclosure or deed in lieu of foreclosure.

9.7 Borrower Cooperation. Prior to the consummation of any foreclosure or assignment in lieu of foreclosure of the Pledge Agreement, Borrower shall and shall cause its Subsidiaries to cooperate with Lender and any prospective Successor Owner in identifying any

and all liabilities that any Primary Pledged Entity or Other Pledged Entity is subject to, including in respect of any employees of any such Person. This Section shall survive any such foreclosure or deed in lieu of foreclosure.

ARTICLE X SECONDARY MARKET TRANSACTIONS

10.1 General. Borrower hereby acknowledges that Lender currently has, and shall continue to have in the future, the absolute and unconditional right at any time after the date hereof and at any time during the term of the Loan, without giving any notice to or requiring any consent or approval from Borrower, any Affiliate of Borrower, any Guarantor, any party to any Loan Document or any other Person, the right in one or more transactions to: (a) sell or securitize the Loan or portions thereof in one or more transactions through the issuance of securities, which securities may be rated by the Rating Agencies; (b) sell, pledge or otherwise transfer the Loan or any portion thereof one or more times (including selling or assigning its duties, rights or obligations hereunder or under any Loan Document in whole, or in part, to a servicer and/or a trustee); (c) sell participation interests in the Loan one or more times; (d) re-securitize the securities issued in connection with any securitization; and/or (e) further divide the Loan into two or more separate notes or components and/or reallocate a portion of the Loan to a mezzanine loan to be secured by direct and/or indirect Equity Interests in Borrower (the transactions referred to in clauses (a) through (e) above, each a “**Secondary Market Transaction**” and collectively “**Secondary Market Transactions**”). With respect to any Secondary Market Transaction described in clause (e) above, (i) such notes, note components and mezzanine loans may be assigned different principal amounts and interest rates, so long as immediately after the effective date of such modification, the aggregate amount of, and the weighted average of the interest rates payable under, the Loan and such component note(s) or mezzanine loan, equal the maximum outstanding Loan amount and Applicable Interest Rate, respectively, immediately prior to such modification, and (ii) Borrower agrees to (A) modify its organizational structure to create one or more new Special Purpose Entities, consistent with **Exhibit B** hereof, to be the mezzanine borrower(s) (and to be otherwise satisfactory to Lender) and cause the same and any other Guarantors to enter into such agreements deemed reasonably necessary by Lender to evidence and secure such mezzanine loan, and (B) execute and deliver to Lender such amendments to the Loan Documents, title insurance endorsements, legal opinions and other customary loan documentation as Lender may reasonably require in connection therewith). The indemnity obligations of Borrower under the Loan Documents shall also apply with respect to any purchaser, transferee, assignee, servicer, participant or investor. Notwithstanding the foregoing, (x) in no event shall any Secondary Market Transaction, or any documents or information delivered by Borrower in connection therewith, modify or increase the liability, or impair or diminish the rights, of Borrower hereunder or under any other Loan Document, and (y) any such Secondary Market Transaction shall not result in the incurrence by Borrower of any cost or expense related to the applicable Secondary Market Transaction other than legal fees that may be incurred by Borrower in connection with its review of any required documentation, up to a cap of \$150,000 in the aggregate for all such Secondary Market Transactions. Notwithstanding anything herein to the contrary, so long as no Event of Default is continuing, Lender shall not knowingly sell all or any portion of the Loan to any Borrower Competitor.

(a) Register. The Borrower shall maintain at one of its offices in Oakland, California a copy of each assignment delivered to it and a register for the recordation of the names and addresses of the Lenders, and the commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive absent manifest error, and the Borrower 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 any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(b) Participations. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant’s interest in the Loans or other obligations under the Loan Documents (the “**Participant Register**”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant’s interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall 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.

10.2 Borrower Cooperation. Borrower shall cooperate, and shall cause any Affiliate of Borrower, any Guarantor, any Indemnitor, any party to any Loan Document or any other Person (to the extent possible), associated or connected with the Loan or the Property to cooperate in all respects with Lender in connection with any Secondary Market Transaction. Borrower shall execute and deliver, and shall cause any Affiliate of Borrower, any Guarantor, any party to any Loan Document or any other Person (to the extent possible), associated or connected with the Loan or the Property to execute and deliver, to Lender such documents, instruments, certificates, financial statements, assignments and other writings (including, without limitation, delivery of a substantive non-consolidation legal opinion in form and substance reasonably satisfactory to Lender, do such other acts and provide such information, and participate in such meetings and discussions, in each case that are necessary or desirable to facilitate the consummation of each Secondary Market Transaction, including, without limitation, to (a) split the Loan into two or more loans evidenced by and pursuant to separate sets of Note and other related loan documents, or (b) to modify the terms and provisions of the Loan Documents, in each case to the full extent required by Lender to facilitate any Secondary Market Transaction, provided that any such splitting or modification of the Loan will not adversely affect or diminish the rights of Borrower, Guarantor or any other party to the any Loan Document as presently set forth in the Loan Documents and will not increase the monetary obligations and liabilities or materially increase the non-monetary obligations under the Loan Documents of Borrower, Guarantor or any other party to the any Loan Document.

10.3 Dissemination of Information. If Lender determines at any time to participate in a Secondary Market Transaction, then Lender shall have the absolute and unconditional right,

without giving any notice to or obtaining the prior consent or approval of Borrower, any Affiliate of Borrower, any Guarantor, any party to any Loan Document or any other Person to disclose, deliver and to share with any potential purchaser, transferee, assignee, servicer, participant or investor in such securities, provided that, so long as no Event of Default is continuing, such entity may not be a Borrower Competitor (individually, an “**Investor**” and collectively, the “**Investors**”), any Rating Agency rating such securities, any organization maintaining databases on the underwriting and performance of commercial loans, trustee, counsel, accountant, and each prospective Investor, all documents and information which Lender now has or may hereafter acquire relating to the Loan, Borrower, any direct or indirect equity owner of Borrower, any Guarantor and the Property, which shall have been furnished by Borrower, any Affiliate of Borrower, any Guarantor or any party to any Loan Document, or otherwise furnished in connection with the Loan, as Lender in its discretion determines necessary or desirable. Notwithstanding the foregoing to the contrary, Lender will endeavor to require any Investor with whom it shares any material, non-public information regarding Borrower or any of its Subsidiaries to acknowledge and agree to be bound by the provisions of Section 10.4 that such Investor will not trade in the securities of Harborside Inc.

10.4 Securities Law Compliance. Borrower and Lender hereby acknowledge and understand that: (a) the information shared under this Agreement may contain or constitute material non-public information; and (b) trading in securities, including Borrower’s securities, while in possession of material nonpublic information or communicating that information to any other person who trades in such securities could subject the recipient to liability under the U.S. federal and state securities laws, and the rules and regulations promulgated thereunder, including Section 10(b) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. For clarity, neither party nor any of their affiliates or representatives, shall trade in securities of a party while in possession of material nonpublic information, or at all until in compliance with all applicable laws and without breach of this Agreement.

ARTICLE XI MISCELLANEOUS

11.1 Performance by Lender. If Borrower defaults in or fails to perform any of its obligations under the Loan Documents, then Lender shall have right, but not the obligation, and without limitation upon any of Lender’s other rights pursuant thereto, to perform the same, and Borrower agrees to pay to Lender, upon demand, all reasonable costs and expenses incurred by Lender in connection therewith, including reasonable attorneys’ fees, together with interest thereon from the date of expenditure at the Default Interest Rate.

11.2 Actions. Lender shall have the right, but not the obligation, to commence, appear in and defend any action or proceeding purporting to affect the rights or duties of the parties hereunder or the payment of any funds, and, in connection therewith, Lender may pay necessary expenses, employ counsel and pay reasonable attorneys’ fees and fees of expert witnesses. Borrower agrees to pay to Lender, upon demand, all costs and expenses incurred by Lender in connection therewith, including, without limitation, attorneys’ fees and fees of expert witnesses, together with interest from the date of expenditure at the Default Interest Rate.

11.3 Nonliability of Lender. Borrower acknowledges and agrees that:

(a) By accepting or approving anything required to be provided to Lender pursuant to the Loan Documents, including, without limitation, any certificate, financial statement, survey, appraisal or insurance Policy, Lender shall not be deemed to have warranted or represented the sufficiency, effectiveness or legal effect of any term or provision thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by Lender;

(b) Lender neither undertakes nor assumes any responsibility or duty to Borrower to select, review, inspect, supervise, pass judgment upon or inform Borrower of any matter in connection with the Property;

(c) The relationship of Borrower and Lender under the Loan Documents is, and shall at all times remain, solely that of borrower and lender, and Lender neither undertakes nor assumes any responsibility or duty to Borrower or to any other Person with respect to the Property or the Loan, except as expressly provided in the Loan Documents; and, notwithstanding any other provision of the Loan Documents: (i) Lender is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of Borrower or any Affiliate of Borrower, and Lender does not intend to ever assume such status; (ii) Lender's activities in connection with the Loan Documents shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as amended or recodified from time to time, and Lender does not intend to ever assume any responsibility to any Person for the quality, suitability, safety or condition of the Property; and (iii) Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower or any Affiliate of Borrower;

(d) Lender shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any Person or property arising from any construction on, or occupancy or use of, the Property or any portion thereof, whether caused by, or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other Improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Borrower, any Affiliate, agent, employee, independent contractor, licensee or invitee of Borrower; (iii) any accident in, on or around the Property or any portion thereof, or any fire, flood or other casualty or hazard thereon; (iv) the failure of Borrower, any of Borrower's licensees, employees, invitees, agents, independent contractors or other representatives to maintain any of the Property in a safe condition; and (v) any nuisance made or suffered on any part of the Property, except to the extent caused by Lender's gross negligence or willful misconduct;

(e) Borrower shall be solely responsible for all aspects of Borrower's business and conduct in connection with the Property;

(f) If a claim or adjudication is made that Lender or its agents, has acted unreasonably or unreasonably delayed acting in any case where by law or under any Loan Document, then Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, and Borrower agrees that neither Lender nor its agents, shall be liable for any monetary

damages, and Borrower's sole remedies shall be limited to commencing an action seeking injunctive relief or declaratory judgment. The parties hereto agree that any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment. Furthermore, notwithstanding anything to the contrary in this Agreement, all Lender actions may be in the sole and absolute discretion of Lender during the continuation of an Event of Default;

(g) Lender shall not be liable to Borrower or any other parties for (i) errors, acts or failures to act of others, including other entities, banks, communications carriers or clearinghouses, through which Borrower's transfers may be made or information received or transmitted, and no such entity shall be deemed an agent of Lender or (ii) any loss, liability or delay caused by a Force Majeure Event. Neither party shall be liable to the other party hereunder for any special, consequential, indirect or punitive damages, whether or not (A) any claim for these damages is based on tort or contract, or (B) Lender or Borrower knew or should have known the likelihood of these damages in any situation. Lender makes no representations or warranties other than those expressly made in this Agreement, if any.

11.4 No Third Parties Benefited. This Agreement is made for the purpose of setting forth certain rights and obligations of Borrower and Lender in connection with the Loan. It is made for the sole protection of Borrower and Lender, and Lender's successors and assigns. No other person shall have any rights of any nature hereunder or by reason hereof.

11.5 Indemnity. Borrower hereby agrees to indemnify, defend and hold Lender, Pelorus Fund, LLC, a California limited liability company, and each such entity's respective directors, officers, agents and employees harmless from, any and all Liabilities and Costs which Lender or any such Person may suffer or incur as a direct or indirect consequence of: (a) Lender's making of the Loan, except for violations of banking laws or regulations by Lender; (b) Borrower's failure to perform any of Borrower's obligations as and when required by this Agreement or any of the other Loan Documents, including, without limitation, any failure, at any time, of any representation or warranty of Borrower to be true and correct and any failure by Borrower to satisfy any condition; (c) any claim or cause of action of any kind by any Person to the effect that Lender is in any way responsible or liable for any act or omission by Borrower, whether on account of any theory of derivative liability, breach of fiduciary duty by Borrower or an Affiliate, breach of contract by Borrower or an Affiliate or otherwise, including, without limitation, any claim or cause of action for fraud, misrepresentation, tort or willful misconduct by Borrower or any Affiliate or any cause of action brought by Borrower's direct or indirect investors; or (d) any claim or cause of action of any kind by any Person which would have the effect of denying Lender the full benefit or protection of any provision of this Agreement or the Loan Documents. Notwithstanding the foregoing, Borrower shall not be obligated to indemnify Lender with respect to any intentional tort or act of gross negligence which Lender is personally determined by the judgment of a court of competent jurisdiction (sustained on appeal, if any) to have committed. Borrower shall pay any indebtedness arising under this indemnity to Lender immediately upon demand by Lender together with interest thereon from the date such indebtedness arises at the Default Interest Rate. Borrower's duty to defend and indemnify Lender shall survive the release and cancellation of the Note and release and reconveyance of the Security Instrument. This Section 11.5 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

11.6 Binding Effect; Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, Borrower and Lender and their respective successors and assigns, except that Borrower may not assign its rights or delegate any of its duties under this Agreement or any of the other Loan Documents without the prior written consent of Lender, which may be granted or withheld in Lender's sole and absolute discretion. Borrower recognizes that this Agreement does not provide for an ordinary loan and that Lender would not make the Loan except in reliance upon Borrower's expertise and reputation, Lender's knowledge of Borrower, and Lender's understanding that this Agreement is more in the nature of an agreement involving personal services than a standard loan where Lender would rely on security which already exists.

11.7 Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages. An electronic facsimile (including .pdf of an executed counterpart of this Agreement) shall constitute an original for all purposes. The electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither Borrower nor Lender shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message, and "electronically signed document" means a document transmitted via e-mail containing an electronic signature.

11.8 Amendments; Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement, the Note or any other Loan Document, or consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to or demand on Borrower shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

11.9 Costs and Expenses. Borrower shall pay to Lender, upon demand the following:

(a) The attorneys' fees and other third party expenses incurred by Lender or its successors and assigns in connection with the negotiation, preparation, execution, delivery, modification and administration of this Agreement and any other Loan Document and any matter

related thereto; Lender shall inform Borrower of the attorneys' fees and expenses incurred by Lender in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents on or before the Effective Date; provided that Borrower has previously paid to Lender a third party fee deposit in the amount of Ninety Five Thousand Three Hundred Thirty Nine and 09/100 Dollars (\$95,339.09) and such deposit shall be applied toward satisfaction of such fees and expenses incurred by Lender in connection with the negotiation, preparation, execution and delivery of this Agreement and other Loan Documents on or before the Effective Date;

(b) The costs and expenses of Lender, any loan participant or their respective successors and assigns in connection with the enforcement of this Agreement and any other Loan Document and any matter related thereto, including, without limitation, the fees and expenses of any legal counsel, independent public accountants and other outside experts retained by Lender; and

(c) All reasonable costs, expenses, fees, premiums and other charges relating or arising with respect to the Loan Documents or any transactions contemplated thereby or in the compliance with any of the terms and conditions thereof, including, without limitation, recording fees, filing fees, release or reconveyance fees, title insurance premiums, external or in-house appraisal or cost engineering fees (including inspections), auditor fees and environmental consultant fees. Borrower recognizes and agrees that formal written Appraisals of the Property by a licensed independent appraiser may be required by Lender's internal procedures and/or federal regulatory reporting requirements on an annual and/or specialized basis and that Lender may, at its option, require inspection of the Property (or any portion thereof) by an independent supervising architect and/or cost engineering specialist at any time during the continuance of an Event of Default, and Borrower shall promptly pay the costs and expenses of all such Appraisals and inspections.

All sums paid or expended by Lender, any loan participant or their respective successors and assigns in accordance with this Agreement and the other Loan Documents shall be considered to be a part of the Loan. All such sums, together with all amounts to be paid by Borrower to Lender pursuant to this Agreement and the other Loan Documents, shall bear interest from the date that is ten (10) days after demand therefor at the Default Interest Rate, and shall be immediately due and payable by Borrower upon demand.

11.10 Survival. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement and the execution and delivery by Borrower to Lender of the Note, and shall continue in full force and effect so long as any portion of the Obligations is outstanding and unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, promises and agreements in this Agreement contained, by or on behalf of Borrower, shall inure to the benefit of the respective successors and assigns of Lender. Nothing in this Agreement or in any other Loan Document, express or implied, shall give to any Person other than the parties and the holder(s) of the Note, the Security Instrument and the other Loan Documents, and their legal representatives, successors and assigns, any benefit or any legal or equitable right, remedy or claim hereunder.

11.11 Notices. All notices and other communications required or permitted under this Agreement or any other Loan Document must be in writing and must be personally delivered; mailed by U.S. registered or certified mail, return receipt requested, postage prepaid; sent by nationally recognized private courier service; or transmitted by email (provided that a copy of such notice or other communication is also delivered by another permitted means of delivery), delivered or addressed to the appropriate party at its respective address set forth below:

If to Borrower: Harborside Inc.
2100 Embarcadero, Suite 101
Oakland, CA 94606
Attn: Jack Nichols
Email: jack.nichols@hborgroup.com

with a copy to: Duane Morris LLP
1540 Broadway
New York, NY 10036
Attention: Michael R. Barz, Esq.
Email: mrbarz@duanemorris.com

If to Lender: Pelorus Fund REIT LLC
124 Tustin Avenue, Suite 200
Newport Beach, CA 92663
Attn: Lee Scholtz
Email: lee@pelorusequitygroup.com

with a copy to: K&L Gates LLP
599 Lexington Avenue
New York, NY 10022
Attn: Alan Schacter, Esq.
Email: alan.schacter@klgates.com

Any party may change its address by giving written notice to the other party in accordance with this Section 13.12. If any notice or other communication is given by registered or certified mail it will be deemed effective seventy-two (72) hours after it is deposited in the U.S. mail, postage prepaid; or if given by any other permitted means, when received at the address listed above.

11.12 Further Assurances. Borrower shall, at its sole cost and expense, do such further acts and execute and deliver such further documents as Lender from time to time may reasonably require for the purpose of assuring and confirming to Lender the rights hereby created, for carrying out the intention or facilitating the performance of the terms of any Loan Document, or for assuring the validity of any Lien under any Loan Document.

11.13 Governing Law. The parties hereto acknowledge and agree that the state of California has a substantial relationship to the parties and the underlying transactions embodied hereby. In all respects, including, without limitation, performance of this Agreement and the

obligations arising hereunder, this Agreement shall be governed by, and construed in accordance with, the internal laws of the state of California applicable to contracts made and to be performed in such state, without regard to its principal of conflict of laws.

11.14 Severability of Provisions. Any provision in any Loan Document that is held by a court of competent jurisdiction to be inoperative, unenforceable or invalid shall be inoperative, unenforceable or invalid without affecting the remaining provisions, and to this end the provisions of all Loan Documents are declared to be severable.

11.15 Headings. Article, section and subparagraph headings in this Agreement are included for convenience of reference only and are not part of this Agreement for any other purpose.

11.16 Time of the Essence; Delay Not a Waiver. Time is of the essence of this Agreement and each and every provision hereof. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege under any Loan Document, or any other instrument given as security therefor, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under any Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under any Loan Document, or to declare a default for failure to effect prompt payment of any such other amount.

11.17 Construction of Agreement. Both Borrower and Lender have cooperated in the drafting and negotiation of this Agreement, and any ambiguities which may be contained herein shall not be construed against either party.

11.18 Brokers. Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. Borrower shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any Person that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. The provisions of this Section 11.19 shall survive the expiration and termination of this Agreement and the payment of the Loan.

11.19 Lender's Discretion; Pelorus as Agent. Whenever pursuant to this Agreement or any other Loan Document, Lender exercises any right, option or election given to Lender to approve or disapprove, or consent or withhold consent, or any arrangement or term is to be satisfactory to Lender or is to be in Lender's discretion, the decision of Lender to approve or disapprove, consent or withhold consent, or to decide whether arrangements or terms are satisfactory or not satisfactory or acceptable or not acceptable to Lender in Lender's discretion, shall (except as is otherwise specifically provided herein or in any other Loan Document) be in the sole and absolute discretion of Lender.

11.20 Preferences. To the extent Borrower makes a payment or payments to Lender for Borrower's benefit, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

11.21 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents does not specifically and expressly provide for the giving of notice by Lender to Borrower.

11.22 Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to the Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to the Loan, and the Loan Documents which Borrower may otherwise have against any assignor, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon, the Loan Documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

11.23 Waiver of Marshalling of Assets Defense. To the fullest extent that Borrower may now or hereafter legally do so, Borrower waives all rights to a marshalling of the assets of Borrower, and of the Property, or to a sale in inverse order of alienation upon foreclosure of the interests hereby created, and irrevocably agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Obligations without any prior or different resort for collection, or the right of Lender or any trustee under the Security Instrument to the payment of the Obligations in preference to every other claimant whatsoever.

11.24 Governing Law; Submission to Jurisdiction; Waiver of Right to Trial by Jury.

(a) THE PARTIES ACKNOWLEDGE AND AGREE THAT THE STATE OF CALIFORNIA HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY LEGAL REQUIREMENTS OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT

ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE APPLICABLE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF CALIFORNIA SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER, HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST BORROWER OR LENDER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, AND, IN EITHER INSTANCE, EACH OF BORROWER AND LENDER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND EACH OF BORROWER AND LENDER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER AGREES THAT SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN LOS ANGELES, CALIFORNIA, MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER, IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF CALIFORNIA.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR THE NOTE, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF, OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR THE NOTE (EACH AS NOW OR HEREAFTER MODIFIED) OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND BORROWER HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

11.25 Additional Cannabis Terms.

(a) Federal Cannabis Law Acknowledgement. Lender, Borrower, and each Guarantor acknowledges that, although State Cannabis Laws have legalized certain cultivation, distribution, sale and possession of cannabis and related products and other Cannabis Businesses, the nature and scope of Federal Cannabis Laws may result in circumstances where activities permitted under State Cannabis Laws may contravene Federal Cannabis Laws. It is acknowledged that, as of the Effective Date, State Cannabis Laws contravene Federal Cannabis Laws. Accordingly, for the purposes of this Agreement and the other Loan Documents, each representation, warranty, covenant and other provision in this Agreement or any other Loan Document will be subject to the following: (i) no representation, warranty, covenant or other agreement is made, or deemed to be made, with respect to compliance with, or application of, any Federal Cannabis Law to the extent such Federal Cannabis Law relates, directly or indirectly, to the unlawful nature of Cannabis Businesses; and (ii) engagement in any activity that is permitted by State Cannabis Laws but contravenes Federal Cannabis Laws will not, in and of itself, be deemed to be non-compliance with Legal Requirements. Nothing contained in this Agreement shall require Borrower or any Guarantor to violate any provision of any State Cannabis Laws.

(b) Change in Cannabis Law.

(i) Restricted Cannabis Activity. If any Change in Cannabis Law results in the business activities of Borrower or any Guarantor becoming Restricted Cannabis Activities, such Change in Cannabis Law will be deemed to have had a Material Adverse Effect and the Obligations will immediately become due and payable in full.

(ii) Ongoing Compliance. This Agreement and the other Loan Documents are subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of either any State Cannabis Laws or the guidance or instruction of any applicable state regulatory body (together with any successor or regulator with overlapping jurisdiction, the “**Regulator**”). The parties acknowledge and understand that Federal Cannabis Laws, State Cannabis Laws and/or the requirements of the Regulator are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. If necessary or desirable to comply with the requirements of Federal Cannabis Laws permitting or authorizing the Cannabis Business, State Cannabis Laws and/or the Regulator that do not constitute a Change in Cannabis Law, upon notice from one party to the other (the “**Compliance Notice**”), the parties hereby agree to (and to cause their respective affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with such Legal Requirements and/or the Regulator, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement and the other Loan Documents to reflect terms that most closely approximate the parties original intentions. To the extent a mutual agreement with respect to the foregoing is not achieved within 10 Business Days following receipt of the Compliance Notice, or if a Change in Cannabis Law shall otherwise occur, the Obligations shall immediately become due and payable in full.

(c) No Right of Rescission. No party hereto shall have any right of rescission or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws existing on the Effective Date, and no party shall seek to enforce the provisions hereof in federal court unless and until the parties have reasonably determined that State Cannabis Laws are fully compliant with Federal Cannabis Laws.

11.26 California Provisions. Borrower and Lender agree that the terms of this Section 11.26 shall apply with respect to the Property:

(a) Agreements related to Takings

(i) Any implied covenant in this Agreement restricting the right of Lender to make an election to apply Net Restoration Proceeds to payment of the Obligations under Subsection 8.7(c) is waived.

(ii) Borrower hereby waives the provisions of any law prohibiting Lender from making an election to apply Net Restoration Proceeds to payment of the Indebtedness under Subsection 8.7(c), including, without limitation, the provisions of the California Code of Civil Procedure commencing with Section 1265.210.

(iii) Borrower hereby unconditionally and irrevocably waives to the extent permitted under applicable law, all rights of a property owner under Section 1265.225(a) of the California Code of Civil Procedure or any successor statute providing for the allocation of condemnation proceeds between a property owner and a lien holder, to the extent the same are contrary to the provisions of this Agreement.

(b) CCP Section 726.5. In the event that any portion of the Property is determined to be “environmentally impaired” (as “environmentally impaired” is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an “affected parcel” (as “affected parcel” is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting Lender’s rights and remedies under this Agreement or any trustee’s rights and remedies under the applicable Security Instrument, Lender may elect to exercise its right under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (i) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (ii) any other rights and remedies permitted by law. For purposes of determining Lender’s right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the applicable Other Property Owner(s) shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, authorized occupant or authorized user of any portion of the Property and the applicable Property Owners-Harborside, Property Owners-Loudpack and/or Property Owners-Urbn Leaf knew or should have known of the activity by such lessee, authorized occupant or authorized user which caused or contributed to the release or threatened release. All costs and expenses, including, but not limited to, attorneys’ fees, incurred by Lender in connection with any action commenced under this Subsection 11.26(b), including any action required by California Code of Civil

Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the rate specified in the Note until paid, shall be added to the indebtedness secured by the Security Instrument(s) and shall be due and payable to Lender upon its demand made at any time following the conclusion of such action.

(c) Additional Provision Regarding Application of Payments. Borrower agrees that, if Lender accepts a guaranty of only a portion of the obligations under the Loan Documents, Borrower waives its right under California Civil Code Section 2822(a), to designate the portion of the Obligation which will be satisfied by a guarantor's partial payment.

[Remainder of Page Intentionally Blank; Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

HARBORSIDE INC.,
an Ontario business corporation

By: _____

Name: Jack Nichols

Title: Secretary

[Signatures Continue on Following Page]

LENDER:

PELORUS FUND REIT, LLC,
a Delaware limited liability company

By: 
Name: Dan Leimel
Title: Managing Member

[END OF SIGNATURES]



SCHEDULE 1 LOAN DOCUMENTS

1. Loan Documents. The documents listed in this Section 1, and amendments, modifications and supplements thereto which have received the prior written consent of Lender, together with any documents executed in the future that are approved by Lender and that recite that they are “Loan Documents” for purposes of this Agreement are collectively referred to herein as the Loan Documents.
 - 1.1 This Agreement.
 - 1.2 The Note.
 - 1.3 The Security Instrument.
 - 1.4 Guaranty of Payment and Performance of even date herewith, executed by Guarantor in favor of Lender.
 - 1.5 Environmental Indemnity Agreement of even date herewith, executed by Borrower and Guarantor in favor of Lender.
 - 1.6 The Pledge Agreement.
 - 1.7 Security Agreement of even date herewith, by each Primary Pledged Entity in favor of Lender.
 - 1.8 The Loudpack Subordination Agreement.
 - 1.9 Acknowledgment and Agreement of each Subsidiary of Borrower to the provisions of Section 9.6.
 - 1.10 The Recognition Agreement in respect of the Series A Indebtedness.
 - 1.11 The Subordination and Attornment Agreements with respect to the leases between the Primary Pledged Entities.
 - 1.12 Uniform Commercial Code – National Financing Statement – Form UCC-1 of even date herewith, by each Guarantor, as debtor, in favor of Lender, as secured party, to be recorded in the office of the Secretary of State of the states in which each such Guarantor is organized.
 - 1.13 Post-Closing Obligations Lender of even date herewith, between Borrower and Lender.
2. Additional Documents.
 - 2.1 Opinion of Borrower’s legal counsel, Duane Morris, dated the Effective Date.

2.2 Opinion of Borrower's legal counsel, Aird & Berlis, dated the Effective Date.

SCHEDULE 2

BORROWER'S AND GUARANTORS' INDEBTEDNESS

Harborside's Directors and Officers D&O Coverage.

SCHEDULE 2.6
CONDITIONS TO CLOSING

(a) Borrower Loan Documents. Borrower (and any other party thereto) shall have executed, acknowledged (if appropriate) and delivered to Lender each of the Loan Documents set forth on **Schedule 1**, each in form and substance acceptable to Lender, together with each of the other Loan Documents and all other documents to be executed and/or delivered by or on behalf of Borrower, Guarantor or any other party pursuant to this Agreement or as Lender shall otherwise reasonably require.

(b) Property Documents. Lender shall have received each of the following additional documents with respect to the Property, in form and substance acceptable to Lender:

(i) *Appraisal*. An Appraisal of the Property acceptable to Lender in its sole discretion;

(ii) *Title Policy*. Lender shall have received the Title Policy, together with any endorsements, reinsurance and co-insurance agreements which Lender may require, insuring Lender in the maximum amount of the Loan, that the Security Instrument constitutes a valid first priority Lien upon the Property, subject only to such title exceptions as Lender shall approve in its sole discretion, and otherwise in such form and substance as shall be acceptable to Lender and Lender's counsel. Such Title Policy shall at all times expressly insure against all mechanics' liens;

(iii) *Property Reports*. Such environmental assessments, studies, reports and investigations on the Property, and/or the soils or groundwaters thereof, prepared by environmental consultants satisfactory to Lender and in form and substance acceptable to Lender and Lender's counsel in the sole discretion of such Persons;

(iv) *Survey*. A current ALTA survey of the Property certified in favor of Lender and otherwise in a form acceptable to Lender and Lender's counsel in the sole discretion of such Persons;

(v) *Amendment of Lease*. An amendment of the Lease with respect the Bay Park Property, extending the term thereof [and consenting to the Pledge Agreement with respect to such tenant], and

(vi) *Other Required Documents*. Such other documents with respect to the Property as are required pursuant to this Agreement or as Lender shall otherwise require.

(c) Organizational Documents. Lender shall have received such corporate, partnership and limited liability company documents with respect to Borrower and its constituent entities and Guarantor as Lender shall require, including evidence of authorization and incumbency of all Persons executing the Loan Documents on behalf of Borrower and Guarantor, as applicable;

(d) Performance. Borrower shall have performed, in all material respects, all agreements and covenants to be performed by Borrower under this Agreement or the other Loan Documents on or before the Effective Date;

(e) Material Adverse Changes. No change shall have occurred which could have a Material Adverse Effect, as determined by Lender in its sole discretion;

(f) Litigation, Other Proceedings. There shall not have been instituted or threatened any litigation or proceeding in any court or by or before any Governmental Authority affecting or threatening to affect Borrower, any Member, any Guarantor, the Property, or any other Collateral, as determined by Lender in its sole discretion, which has a Material Adverse Effect upon the value of the Property or any other Collateral or Lender's right or ability to receive payment in full of all amounts payable by Borrower to Lender under this Agreement or the other Loan Documents;

(g) Perfection of Liens. The Security Instrument, the Financing Statements and any other recordable Loan Documents shall have been recorded or filed, as applicable, and Lender shall have a valid, perfected first priority Lien on Borrower's interest in the Property and on all of the Collateral subject to the Loan Documents;

(h) No Event of Default. On the Effective Date, no Event of Default or Default shall exist;

(i) Loan Fees. On the Effective Date, Lender shall have received the Loan Fee and any other fees or other amounts then due to Lender under this Agreement and the other Loan Documents, and all expenses of Lender incurred prior to the Effective Date (including, without limitation, all attorneys' and appraisers' fees, environmental review costs, cost engineering expenses, title insurance premiums and endorsement charges), shall have been paid by Borrower;

(j) Consents and Approvals. Any Government Approvals and any other licenses, permits, consents and approvals of Governmental Authorities, and all corporate, partnership and limited liability company action necessary to enable Borrower to enter into the financing transactions contemplated by this Agreement shall have been obtained and/or taken by Borrower (including, without limitation, any required consents of any Members);

(k) Cannabis License. Borrower shall have a valid license to conduct the Cannabis Business in the State.

(l) Insurance. Lender shall have received evidence that Borrower has obtained all insurance policies and associated coverage amounts required under Article VII, in each case satisfactory to Lender and issued by insurance companies acceptable to Lender, and loss payable endorsements in form and substance satisfactory to Lender naming Lender as loss payee (as its interests may appear) shall have been delivered to Lender, together with such certificates of insurance and binders as Lender shall require;

(m) Representations and Warranties. All representations and warranties of Borrower contained in this Agreement or the other Loan Documents shall be true and correct;

(n) Opinions of Counsel. Lender shall have received opinions of counsel for Borrower dated as of the Effective Date as to such matters as Lender shall require, in form and substance satisfactory to Lender and Lender's counsel;

(o) Due Diligence. Lender shall have completed its review of the Property and the other Collateral, including, without limitation, any contracts and agreements relating to the Property, and Lender shall have completed such other real estate and legal due diligence investigations as Lender deems necessary, and such review and investigations shall provide Lender with resulting information which, in Lender's sole discretion, is satisfactory to permit Lender to enter into this Agreement and to make the Loan;

(p) Intentionally omitted.

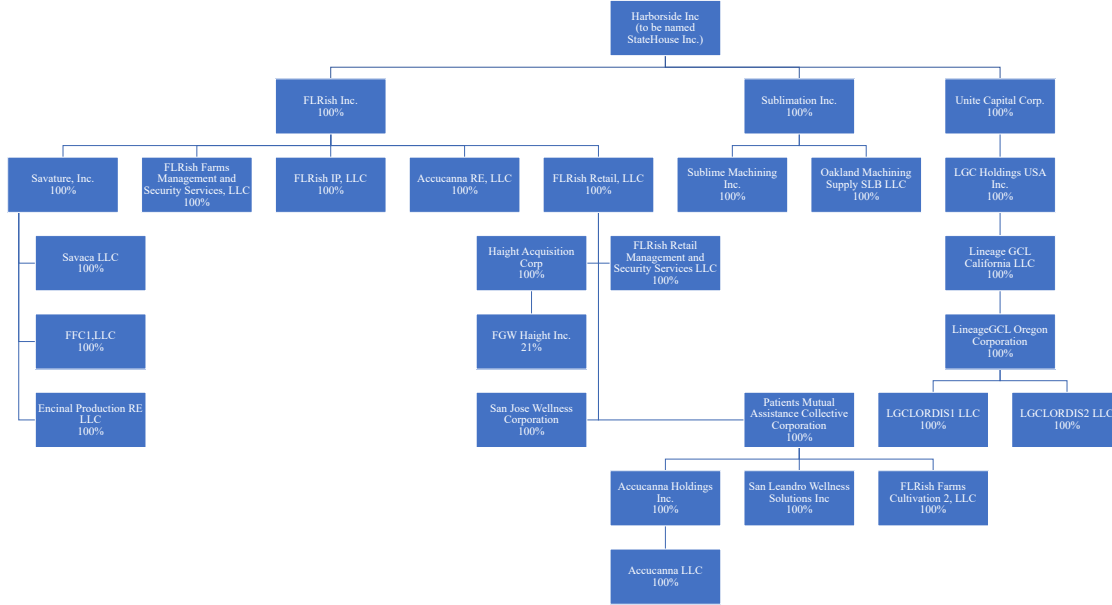
(q) Financial Statements. Lender shall have received such financial statements and other financial information on Borrower and Guarantor as Lender shall require, and such financial statements and other financial information shall be in form and substance acceptable to Lender;

(r) Affiliate Fees. Borrower shall have disclosed to Lender, and Lender shall have approved, all Affiliate Fees which have been or will be reimbursed or paid to or paid on behalf of Borrower, any Guarantor or any Affiliate thereof in connection with the acquisition or financing of the Property. All Affiliate Fees shall be deducted from the calculation of the capitalization costs of the financing transaction contemplated by this Agreement for determining the maximum principal amount of the Loan. Without limitation on the foregoing, all Affiliate Fees shall be subordinate to the Loan and shall be terminable by Lender upon the occurrence of an Event of Default; and

(s) Other Documents. Lender shall have received and approved such other documents, materials or information as Lender or its counsel shall require.

SCHEDULE 4.3

BORROWER'S ORGANIZATIONAL CHART



SCHEDULE 4.7

Exceptions to Litigation and Related Representations

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
				Total Active Combined Litigations as of 12/8/21: 32 Total Potential Combined Litigations as of 12/8/21: 27
<u>Active Litigation Matters</u>				
PMACC v. Comm’r (Ninth Circuit US Court of Appeals, No. 19-7078)	This matter involved an appeal to the United States Court of Appeals for the Ninth Circuit of an adverse United States Tax Court decision that was issued on November 29, 2018. In December 2019, PMACC appealed the Tax Court decision. The court of appeals has affirmed the Tax Court’s decision. PMACC’s management with the advice of counsel determined that there were no viable issues for further appeal. Accordingly, this matter is concluded and the current liability inclusive of interest through July 19, 2021 is \$18,366,172 (the “PMACC 2007- 2012 Tax Liability”). The PMACC 2007 – 2012 Tax Liability has been assessed by the Internal Revenue Service (the “IRS”) and an IRS revenue officer has been assigned to the matter. Counsel has been in regular contact with the revenue officer and financial information has been provided to the revenue officer with the goal of negotiating a plan to pay some or all of the PMACC 2007- 2012 Tax Liability over a ten year period. The prospects of securing such a plan are complicated by a number of factors including, but not limited to, the current IRS protocol for evaluating payment agreements for taxpayers in the cannabis business and the requirement that PMACC is current on its IRS tax obligations during the pendency of any possible payment plan. Accordingly, given the fact that discussions with the IRS with respect to a payment plan have just started, the prospects of	Thomas Ostrander at Duane Morris		

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
	securing such a plan, the duration of any proposed payment plan, and the timing of securing such a plan presently cannot be accurately predicted.			
PMACC v Comm’r 2016 (United States Tax Court, No. 2265-20)	This matter concerns PMACC’s income tax liability for the tax year 2016. The IRS proposed a deficiency in tax of \$13,362,682 (the “PMACC 2016 Proposed Tax Liability”). The Tax Court stayed active litigation in this matter pending the Ninth Circuit’s rendering a decision as referenced above. With the adverse decision in the Ninth Circuit, the stay is no longer in effect. The IRS Independent Office of Appeals has jurisdiction to first conduct settlement discussions and, if a settlement is not reached, this matter will proceed in the Tax Court. Counsel is in the process of searching for information that might result in a reduction of the PMACC 2016 Proposed Tax Liability. It is presently not known whether any such information exists and if it does exist what the magnitude of a reduction, if any, in the PMACC 2016 Proposed Tax Liability could be. It is anticipated, but not certain, that a determination by counsel of whether there is a basis to seek a reduction in the 2016 Proposed Tax Liability will be made by the end of the fourth quarter of 2021. Unless Internal Revenue Code section 280E is determined to be unconstitutional, the PMACC 2016 Proposed Tax Liability will not be completely eliminated and a payment plan for that liability will be presented to the IRS. That payment plan will face the same hurdles as discussed above with regard to the PMACC 2007- 2012 Tax Liability.	Thomas Ostrander at Duane Morris		
San Jose Wellness v. Comm’r (156 TC No. 4 February 17, 2021, Tax Court Docket Nos. 12313-15, 12353-15, 15714-18)	This case involved SJW’s federal income tax returns for 2010, 2011, 2012, 2014, and 2015. The Tax Court issued its opinion on February 17, 2021 in favor of the IRS resulting in tax deficiencies for all these years and an accuracy-related penalty for 2015. Based on a schedule prepared by SJW, which was not verified by us, the amount due is \$4,869,283 plus accrued interest (the “SJW Tax Liability”). The Tax Court’s order in this case was entered on February 17, 2021. SJW appealed the Tax Court decision to the Ninth Circuit. SJW’s management with the advice of counsel determined that there were no viable issues for appeal and the appeal was voluntarily withdrawn. The SJW Tax Liability has not been assessed and the matter is likely to be referred to a revenue officer once this is complete. At that	Thomas Ostrander at Duane Morris		

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
	time, it is anticipated that a payment plan will be presented to the IRS. That payment plan will face the same hurdles as discussed above with regard to the PMACC 2007- 2012 Tax Liability.			
Calhoun v. FLRish, Inc. (N.D. Cal., Case No. 3:19-cv-08212)	<p>This class action lawsuit was filed against FLRish on December 17, 2019, and was handled by other counsel until January, 2021. The suit is brought on behalf of plaintiff Gia Calhoun, individually, and all others similarly situated. No class has yet been certified and most discovery was stayed pending the outcome of a U.S. Supreme Court decision that was decided on April 1, 2021. We expect discovery to resume in the near future. Ms. Calhoun alleges two separate violations of the Telephone Consumer Protection Act (47 U.S.C. Section 227) (“TCPA”). First, Ms. Calhoun alleges that FLRish and/or its agents sent text messages to her and members of the putative class using an automatic telephone dialing system (“ATDS”) in violation of the TCPA. Second, Ms. Calhoun alleges that FLRish and/or its agents sent text messages to her and members of the putative class who had registered their respective telephone numbers on the National Do Not Call Registry in violation of the TCPA. In light of the recent favorable U.S. Supreme Court decision referenced above and FLRish’s present understanding of the facts, FLRish believes that Ms. Calhoun’s first asserted claim lacks merit. With respect to Ms. Calhoun’s second asserted claim, FLRish is continuing its factual investigation, and further discovery is required. On August 17, 2021, Ms. Calhoun filed a motion for leave to file an amended complaint, adding a claim on behalf of a class of persons who requested to opt out of receiving text messages and expanding the time period for other claims. On August 18, 2021, FLRish filed a motion for partial summary judgment on the claim that an ATDS was used. Briefing on the matter was ongoing with depositions scheduled to begin in October, however, the parties agreed to stay the aforementioned motions and proceed to mediation in December 2021 or January 2022. It is the intent of the company to prevail or settle the matter, however, given the fact that this matter is in the motions and discovery phase, it is not possible to determine or predict the scope of any resolution.</p>	Dana Klinges at Duane Morris		

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
Michael Adams v. Patients Mutual Assistance Collective Corporation dba Harborside Health Center (Alameda County Superior Court RG20049364)	<p>On or about January 10, 2020, PMACC was served with a complaint filed by plaintiff and putative class representative Mr. Michael Adams. The complaint, filed on January 7, 2020 in Superior Court of the State of California for Alameda County, alleges violations of California Business and Professions Code §17200 with respect to PMACC's employee wage payment practices, and seeks class certification with respect to a group of individual plaintiffs alleged to be similarly situated to Mr. Adams. The Company believes that the complaint fails to state any claim upon which relief can be granted, and that it has meritorious defenses to the alleged causes of action. The Company further believes that Mr. Adams' allegations fail to adequately represent the claims of any alleged class of similarly situated plaintiffs. In late April 2020, the Company filed a demurrer/motion to strike as to plaintiff's complaint; the Court granted the Company's demurrer/motion to strike in part, with leave for the plaintiffs to amend and refile their original complaint. On or about October 6, 2020, plaintiff and the Company agreed to mediation of the case, with mediation scheduled for May 4, 2021.</p> <p>At the May 4, 2021 mediation, the parties did not reach a settlement agreement, however, the parties agreed to continue discovery. As of the date of the issuance of the Q3 2021 Financial Statements, no follow-up mediation date has been set. The plaintiff has until January 2022 to file a class certification motion.</p> <p>The complaint filed by Adams truly fails to state any specifics so there's little for the company to go on for the purpose of assessing exposure. Having said that, a wage and hour claim can have far reaching implications. However, the scope of the exposure remains unclear and no explicit monetary demand has been made.</p> <p>Outside counsel has been instructed to start working towards a resolution and attempt to poke holes in Plaintiff's argument to speed up the settlement process.</p>	Dennis Kelly at Dillingham & Murphy LLP		
Eric Hernandez v. Sourcehov Holdings, Inc. & Travelers Property Casualty Company of America (Workers Comp.)	Defendant has filed a Petition to Join Harborside as a Defendant in a Workers Compensation action involving a former employee.	Katy Young with Ad Astra Law Group, LLP		

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
Appeals Board EAMS No. ADJ11665784)				
Sublime Concentrates v. Sublime Machining, Inc.	Plaintiff alleges a breach of contract regarding an asset transfer agreement. Alex Fang represented parties on both sides of asset transfer; Agreement has never been fully executed in writing. The current settlement offer is \$250k plus release plus relinquishment of Alex Fang's common stock (3,618,670 +1+3,595,328+3,500+11,180 common share positions according to cap table as of April 15, 2021). Sublime Machining, Inc. filed its demurrer which was heard on November 3, 2021. The demurrer argued that since no contract price was set and negotiations over price would have necessarily occurred, there was no contract formed. The judge took the matter under submission and we are awaiting a ruling. The next step will be to answer the complaint if the demurrer is unsuccessful, otherwise we will have to answer or demur to a further amended complaint. Discovery is now underway and Sublime Machining, Inc. will propound discovery on Sublime Concentrates, Inc. in December. It is the intent of the company to prevail or settle the matter, however, given the fact that this matter is in the negotiations phase, it is not possible to determine or predict the scope of any resolution.	Katy Young with Ad Astra Law Group, LLP		
Alex Fang v. Sublime	Alex Fang is a former employee/founder of Sublime. A Demand for Arbitration was served on August 27, 2021, requesting \$2M in damages and to be reinstated as an employee of Sublime. Sublime filed a demurrer in this matter; the demurrer being heard by the Court on November 3, 2021. The Court tentatively overruled Sublime's demurrer and gave Sublime until November 30, 2021 to file an answer to the ruling. The company has paid the initial fee, as the case is considered employment-related arbitration where the employer bears the brunt of the arbitration fees. Sublime Machining filed its counterclaim alleging breach of fiduciary duty and fraudulent misrepresentation. We have notified the AAA of our ranked choice of arbitrator and provided all requested information about witnesses and other involved entities for conflicts purposes. We are waiting for AAA to appoint a panel of arbitrators based on our	Katy Young with Ad Astra Law Group, LLP		

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
	ranked choices and Fang's. Thus far, Fang has not turned in his list of preferred arbitrators or conflicts list. He has until December 3, 2021 to file an answer to the counterclaim. The next step will be to set a schedule with the arbitrators. It is the intent of the company to prevail or settle the matter, however, given the fact that this matter is in the motions and discovery phase, it is not possible to determine or predict the scope of any resolution.			
Charwick Partners, LLC v. Sublime Machining	This is a dispute between Charwick Partners, LLC and Sublime involving Charwick's \$3 million investment in Sublime's Series B financing. Charwick is a Series B investor and a former board member of Sublime. Charwick alleges various violations of US securities laws. Sublime Machining believes the allegations are without merit and it intends to vigorously contest the matter. It is the intent of the company to prevail or settle the matter, however, given the fact that this matter is in the negotiations phase, it is not possible to determine or predict the scope of any resolution.	Bryan C. Natale at Burns & Levinson, LLP	Agreement executed on 12/1/21	
Tony Banks v. Sublime (Alameda County Superior Court 21CV00754)	Plaintiff, a former employee of the company, has filed a complaint alleging wage and hour violations on behalf of himself and all aggrieved employees pursuant to the Private Attorneys General Act. It is the intent of the company to prevail or settle the matter, however, given the fact that this matter is in the discovery phase, it is not possible to determine or predict the scope of any resolution.	Katy Young with Ad Astra Law Group, LLP		
Charles Jamison v Green Rose Green Leaf Care, Inc. (San Diego County Superior Court 37-2021-00049640-CU-MC-CTL)	Plaintiff alleges a Prop 65 violation regarding Fuzzies. Plaintiff is seeking injunctive and monetary relief, including attorneys fees.	Kimberly R. Simms at Law Offices of Kimberly R. Simms		
<i>Mitchell Colbert v PMACC</i>	Employment records request letter dated October 08, 2021, from Justice Law Corporation.			
<u>Settled & Closed Matters</u>	-	-	-	-

<u>Case Name</u>	<u>Description</u>	<u>Outside Counsel</u>	<u>Resolution</u>	<u>Notes</u>
Rihanna Shahrohkimanesh v Harborside, Inc., Peter Bilodeau, Andrew Berman, Keith Li, Adam Szweras, and Matthew Hawkins (Case No. 3:20-cv-01551-MO)	In September 2020, the Company became aware of a complaint filed by putative class representative Ms. Rihanna Shahrohkimanesh in the U.S. Federal District Court for the District of Oregon. On October 13, 2020, the Company was formally served with a complaint and related summons. The complaint alleges violations of the U.S. Securities Exchange Act of 1934 (15 USC §§ 78j(b) and 78t(a) and Rule 10b-5 promulgated thereunder (17 CFR § 240.10b-5)) and seeks class certification with respect to a group of individual plaintiffs alleged to be similarly situated to Ms. Shahrohkimanesh.		Dismissed January 19, 2021	
Moothery v. Patients Mutual Assistance Collective Corporation; FLRish Management and Security Services, LLC, Superior Court of California, County of Alameda (Case No. RG18908395)	Former employee alleges (6) causes of action: discrimination on the basis of sex, race, and/or age; failure to prevent discrimination; retaliation for reporting harassment; hostile work environment harassment; defamation; and wrongful termination in violation of public policy		Settled	
Hiatt Creek Properties, Inc. v Matthys (Mendocino County Superior Court Case No. SCUJ-CVPO-20-74135)	Plaintiff alleges a Breach of Contract and Unlawful, Unfair, Fraudulent Business Practices.		Dismissed September 7, 2021	
San Leandro Wellness Solutions v. KSJ Development, Augustine Lopez (Alameda County Superior Court No. RG20055149)	The Company alleges breach of contract and the covenant or good faith and fair dealing with respect to the lease agreement between the parties; specifically, the landlord refuses to grant adult use authorization for licensure. Both parties agreed to arbitration.		Settled	

Schedule 4.8

Exceptions to Tax Representations

Certain estimated amounts related to the disputed amounts due related to federal income taxes. As of September 30, 2021 reserved for in the amount of \$33,798,626 on the Borrower's financial statements.

Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of San Leandro Wellness Solutions Inc. in the amount \$24,278.

Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of San Jose Wellness Corporation. in the amount \$88,615.

Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of Patients Mutual Assistance Collective Corporation in the amount \$224,618.

Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of Sublime Machining Inc. in the amount \$2,469,830 of which \$1,027,253 is related to penalties which is subject to a potential waiver.

Schedule 4.11

Merger Transaction Documents

1. The Agreement and Plan of Merger and Reorganization entered into as of November 29, 2021, by and among Harborside Inc., a corporation existing under the laws of the Province of Ontario, LPF Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent, LPF JV Corporation, a Delaware corporation, and LPF Holdco, LLC, a Delaware limited liability company and the sole stockholder of the Company.
2. The Merger and Debenture Restructuring Support Agreement, dated as of November 29, 2021, is entered into by and among (i) LPF JV Corporation, a Delaware corporation (formerly known as LPF JV, LLC, a California limited liability company, the “Company”), (ii) LPF Holdco, LLC, a Delaware limited liability company and the sole stockholder of the Company (“Holdco”), (iii) LPF Investor LLC and GWC Holdings II, LLC as the voting members of Holdco, (iv) each of the undersigned beneficial holders, or investment advisers or managers for the account of beneficial holders, of (x) the Company’s 15% Subordinated Secured Convertible Debentures due December 31, 2022 (the “Sub Debentures”), and (y) the Company’s 15% Senior Secured Convertible Debentures due December 31, 2022, issued pursuant to that certain Master Debenture Supplement, dated as of November 30, 2020, by and among the Company and Acquiom Agency Services LLC, as collateral agent and administrative agent, and (v) Harborside, Inc., an Ontario corporation.
3. Agreement of Plan and Merger and Reorganization, dated November 29, 2021, by and among Harborside Inc., Saturn Merger Sub, Inc., UL Holdings, Inc., and Momentum Capital Group LLC, solely in its capacity as the representative of the shareholders of UL Holdings, Inc.

Schedule 4.12

Exceptions to Title Representations

None

Schedule 4.14(a)-1

Leases Between Primary Pledged Entities

1. Lease by and between ACCUCANNA RE, LLC and ACCUCANNA, LLC, dated September 3, 2021.
2. Lease by and between ENCINAL PRODUCTIONS RE, LLC and FLRISH FARMS CULTIVATION 2, LLC, dated June 1, 2021.

Schedule 4.14(a)-2

RESERVED

Schedule 4.15

Affiliate Fees

None outside of the normal course of Borrower's business.

Schedule 4.18

Permitted Specified Indebtedness

1. Certain estimated amounts related to the disputed amounts due related to federal income taxes. As of September 30, 2021 reserved for in the amount of \$33,798,626 on the Borrower's financial statements.
2. Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of San Leandro Wellness Solutions Inc. in the amount \$24,278.
3. Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of San Jose Wellness Corporation. in the amount \$88,615.
4. Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of Patients Mutual Assistance Collective Corporation in the amount \$224,618.
5. Amounts due to the California Department of Tax and Fee Administration related to 2021Q3 Cannabis Taxes on behalf of Sublime Machining Inc.in the amount \$2,469,830 of which \$1,027,253 is related to penalties which is subject to a potential waiver.
6. \$25,000,000 VTB/ Carryover Notes to be issued in connection with the closing of the business combination with Loudpack subject to the Agreement of Plan and Merger and Reorganization, dated November 29, 2021, by and among Harborside Inc., LPF Merger Sub, Inc., LPF JV Corporation, and LPF Holdco, LLC.

Schedule 4.19

Exceptions to ERISA Representations

1. Description of Harborside ERISA obligations

- (a) Harborside Inc. Retirement Savings Plan 401(k) Plan -
- (b) Medical - Kaiser & Anthem
- (c) Dental –Humana
- (d) Vision – VSP
- (e) FSA – BASIC
- (f) Transportation & Parking- BASIC
- (g) EAP- Claremont

SCHEDULE 4.21

MATERIAL CONTRACTS

A. Third Party Contracts

1. (Harborside) Business Loan Agreement, dated March 19, 2021, between the Company and East West Bank, as amended on July 2, 2021, to be paid off on the Effective Date.

B. Affiliate Contracts

1. Lease by and between ACCUCANNA RE, LLC and ACCUCANNA, LLC, dated September 3, 2021.
2. Lease by and between ENCINAL PRODUCTIONS RE, LLC and FLRISH FARMS CULTIVATION 2, LLC, dated June 1, 2021.
3. The IASA between FLRish Retail Management and Security Services LLC and FGW Haight Inc., dated December 30, 2020.
4. The IASA between FLRish Retail Management and Security Services LLC and LGCLORDIS2 LLC, dated December 30, 2020.
5. The IASA between FLRish Retail Management and Security Services LLC and Patients Mutual Assistance Collective Corporation, dated December 30, 2020.
6. The IASA between FLRish Retail Management and Security Services LLC and San Jose Wellness, Inc., dated December 30, 2020.
7. The IASA between FLRish Retail Management and Security Services LLC and San Leandro Wellness Solutions Inc., dated December 30, 2020.
8. The MSA between FLRish Retail Management and Security Services LLC and FLRish Farms Cultivation 2, LLC, dated December 30, 2020.
9. The MSA between Patients Mutual Assistance Collective Corporation and FGW Haight Inc., dated December 18, 2020.
10. The MSA between Patients Mutual Assistance Collective Corporation and FLRish Farms Cultivation 2, LLC, dated December 30, 2020.
11. The MSA between Patients Mutual Assistance Collective Corporation and San Leandro Wellness Solutions Inc., dated December 30, 2020.

SCHEDULE 4.23

REGULATORY LICENSES

	Location	Business or Entity	Ownership	Type	Government Agency	Expiration Date	Annual License	Notes
1	645 River Road, Eugene, OR	Terpene Station EUG (LORDIS2)	100%	Recreational Retailer	OLCC	9/23/2022	0501011403433E	
2	1840 Embarcadero, Oakland, CA	PMACC (Harborside Oak)	100%	A&M - Distributor	DCC	7/17/2022	C11-0000846-LIC	
3	1840 Embarcadero, Oakland, CA	PMACC (Harborside Oak)	100%	A&M-Retailer	DCC	7/17/2022	C10-0000463-LIC	
4	1840 Embarcadero, Oakland, CA	PMACC (Harborside Oak)	100%	Event Organizer License	DCC	9/5/2022	CEO14-0000093-LIC	
5	1365 N 10th St., San Jose, CA	SJW (Harborside SJ)	100%	A&M - Retailer	DCC	7/15/2022	C10-0000435-LIC	
6	1365 N 10th St., San Jose, CA	SJW (Harborside SJ)	100%	A&M-Distributor	DCC	7/15/2022	C11-0000815-LIC	
7	1965 Marina Blvd. Unit C, San Leandro, CA	SLWS (Harborside San Leandro)	100%	A&M - Retailer	DCC	1/16/2022	C10-0000681-LIC	
8	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	M- Small Mixed Light Tier 2	DCC (CDFA)	3/20/2022	CCL18-0000667	
9	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/20/2022	CCL18-0000665	
10	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Nursery	DCC (CDFA)	3/9/2022	CCL18-0000444	
11	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Processor	DCC (CDFA)	3/9/2022	CCL18-0000445	
12	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/20/2022	CCL18-0000708	
13	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000914	
14	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000917	
15	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000919	
16	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000911	
17	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000922	

18	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000984	
19	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000915	
20	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	M- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000913	
21	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	M- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000912	
22	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	M- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000910	
23	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	M- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000916	
24	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	M- Small Mixed Light Tier 2	DCC (CDFA)	3/29/2022	CCL18-0000923	
25	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A & M - Type 6 Manufacturing	DCC (CDPH)	4/26/2022	CDPH-10002928	
26	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A & M - Distributor	DCC	5/30/2022	C11-0000207-LIC	
27	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	8/15/2022	CCL19-0001468	
28	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	8/15/2022	CCL19-0001467	
29	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	8/15/2022	CCL19-0001466	
30	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	8/15/2022	CCL19-0001465	
31	26889 Encinal Road, Salinas, CA	FFC2 (Salinas Farm)	100%	A- Small Mixed Light Tier 2	DCC (CDFA)	8/15/2022	CCL19-0001454	
32	66205 Paul Road, Desert Hot Springs, CA	Accucanna, LLC (DHS)	MSA w/ up to 10%	A & M - Retailer	DCC	7/8/2022	C10-0000396-LIC	Managed Store
33	768 Stanyan St, San Francisco, CA	FGW Haight, Inc. (FGW)	21%	A & M - Retailer	DCC	n/a	C10-21-0000131-APP	Pending App
34	2607 Mandela Parkway, Oakland, CA	Sublime Machining Inc	100%	A & M - Distributor	DCC	06/26/2022	C11-0000536-LIC	
35	2357 Willow St. Unit 8, Oakland, CA	Sublime Machining Inc	100%	A & M - Type 6 Manufacturing	DCC (CDPH)	05/13/2022	CDPH-10003170	

Schedule 6.9

Permitted Repayment of Subordinated Indebtedness

1. VTB/Carryover Notes-payments permitted to the extent permitted in the Loudpack Subordination Agreement

Schedule 6.12

Permitted Transfers and Dispositions

None

SCHEDULE 6.18

**REQUIRED DEFERRED MAINTENANCE AND
ENVIRONMENTAL REMEDIATION**

None

SCHEDULE 10.1

BORROWER COMPETITOR

US Public Companies:

Curaleaf
Trulieve Cannabis
Green Thumb Industries
TerrAscend Corp.
Planet 13
Ayr Wellness
Cresco Labs
Columbia Care
Acreage Holdings
Verano Holdings
Ascend Wellness
Holistic Industries
MedMen
Jushi Holdings

Canadian Public Companies:

OrganiGram
Canopy Growth
Aurora Cannabis
Tilray
Cronos Group
Icanic Brands
Unrivald Brands
Sunidial Growers
Hexo Corp
Village Farms International
Flower One

California Public Companies:

Glasshouse Holdings
Parent Company
Vube Growth Corporation
Lowell Farms Inc.
4Front

California Private Companies:

Connected Cannabis
Stiiizy
Kolas

Grupo Flor
Sweet Flower
Herbl
Kiva/Kiva Affiliate Distribution Company
Nabis
Eaze

**EXHIBIT A
FORM OF DISBURSEMENT REQUEST**

[INSERT LENDER NAME**]**

Attention: _____

Re: _____ (“**Borrower**”)
Loan # _____ (“**Loan**”)

Ladies and Gentlemen:

Pursuant to the terms of that certain Loan Agreement dated as of _____, 20__ (the “**Loan Agreement**”), and the representations, warranties and covenants set forth therein and herein, Borrower hereby submits a disbursement request for Tranche 2 in the amount of \$33,300,000.00. Initially capitalized terms used but not defined herein shall have the same meanings as in the Loan Agreement

This disbursement request (this “**Request**”) shall be deemed to be a representation by Borrower and the person/entity signing this Request (in the case of the person/entity signing this Request, to person’s/entity’s knowledge) that: (a) no Event of Default or Default has occurred or will exist upon the making of this requested disbursement; (b) the representations and warranties contained in the Loan Agreement and in the other Loan Documents are, as of the date hereof, true, correct and complete in all material respects; (c) all information set forth in this Request and on any exhibit attached hereto is true, correct and complete in all material respects; and (d) all conditions precedent to the disbursement to be made in connection with this Request as required under the Loan Agreement and the other Loan Documents have been satisfied.

This Request is submitted as of _____, 20__.

HARBORSIDE, INC., an Ontario business corporation

By: _____
Name: _____
Title: _____

EXHIBIT B

DEFINITION OF “SPECIAL PURPOSE ENTITY” AND RELATED DEFINED TERMS

“**Special Purpose Entity**” means a Person, other than an individual, which, shall at all times comply with the following requirements:

(a) Will conduct business solely as a Cannabis Business or Support Business and transact lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(b) Will not be engaged in any business unrelated to the Cannabis Business or Support Business;

(c) Will, to the fullest extent permitted by law, not engage in, seek or consent to, (i) any dissolution, winding up, liquidation, consolidation, merger (other than the Merger Transactions), or sale of all or substantially all of its assets, (ii) any amendment of its articles of incorporation, articles of organization, certificate of formation or operating agreement (as applicable) with respect to the matters set forth in this definition without the written consent of Lender;

(d) Intends to remain solvent and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same have or shall become due, and will endeavor to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, provided that the foregoing shall not require any owner of such Person to make any additional capital contribution;

(e) Will not fail to correct any known misunderstanding regarding the separate identity of such entity;

(f) Will maintain its accounts, financial statements, books, and records separate from any other Person and will not permit its assets to be listed as assets on the financial statement of any other entity; provided, however, that (i) if and to the extent that any Property Owners-Harborside do not maintain any separate bank accounts as of the Effective Date, this clause shall not be deemed breached unless such Persons fail to maintain such separate accounts on or before the date that is six (6) months after the Effective Date; (ii) Savature Inc. shall not be required to maintain separate bank accounts; and (iii) the assets of such Person may be included in consolidated financial statements with certain of its Affiliates provided that (A) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of such Person and such Affiliates and to indicate that such Person’s assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person (except in connection with the Loan, the Other Loans and the Permitted Specified Indebtedness), and (ii) such assets shall be listed on such Person’s own separate balance sheet);

(g) Has filed and will file its own tax returns, except to the extent that it (i) has been or is required to file consolidated tax returns, or (ii) is treated as a disregarded entity for federal or state tax purposes;

(h) Other than as provided in this Agreement, (i) will not commingle its funds or assets with those of any other Person and (ii) has not participated and will not participate in any cash management system with any other Person; provided, however, that (i) if and to the extent that any Property Owners-Harborside do not maintain any separate bank accounts as of the Effective Date, this clause shall not be deemed breached unless such Persons fail to maintain such separate accounts on or before the date that is six (6) months after the Effective Date;

(i) Will hold its assets in its own name;

(j) Will pay its own liabilities and expenses, including the salaries of its own employees (if any), out of its own funds and assets, and will maintain a sufficient number of employees (if any) in light of its contemplated business operations, provided that (i) the foregoing shall not require any owner of such Person to make any additional capital contributions; and (ii) such Person may participate in a program with Borrower and Borrower's Subsidiaries for paying and receiving payments under accounts payable and accounts receivable so long as such program fairly and properly allocates all such income and expense among such Persons;

(k) Will observe in all material respects all partnership, corporate or limited liability company formalities, as applicable;

(l) Will not incur any Indebtedness other than Permitted Indebtedness;

(m) Except in connection with the Loan Documents and the Permitted Specified Indebtedness as in effect as of the Effective Date, will not assume or guarantee or become obligated for, the debts of any other Person (except to the extent such Person is liable for the debts and obligations of Borrower or any Other Loan Borrower in connection with the Loan and/or the Other Loans and/or any Permitted Specified Indebtedness as in effect as of the Effective Date) and will not hold out its credit as being available to satisfy the obligations of any other Person except as permitted pursuant to this Agreement and the Other Loan Documents; provided, however, that Patients Mutual Assistance Collective Corporation and its Affiliates that were consolidated with it for the applicable tax year may guaranty the Permitted Tax Indebtedness of each other;

(n) Will not acquire obligations or securities of its partners, members or shareholders or any other Affiliate;

(o) Will allocate, fairly and reasonably in all material respects, any material overhead expenses that are shared with any Affiliate, including paying for shared office space and services performed by any employee of an Affiliate;

(p) Will maintain and use, separate stationery, invoices and checks bearing its name, and all stationery, invoices, and checks utilized by such Person or utilized to collect its funds or pay its expenses have borne and shall bear its own name and have not borne and shall not bear the name of any other entity unless such entity is clearly designated as being such Person's agent; provided that, to the extent any other provision of this **Exhibit B** permits such Person not to maintain separate bank accounts or to participate in a shared system of accounts payable and receivable, the same shall not be a breach of this clause;

(q) Except as otherwise permitted in Loan Documents, will not pledge its assets for the benefit of any other Person other than Lender in connection with the Loan and the Other Loans;

(r) Will conduct its business in its name or in a name franchised or licensed to it by an entity other than an Affiliate of Borrower, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Borrower and not as a division or part of any other Person, except in each case for services rendered under a business management services agreement with an Affiliate, so long as the manager, or equivalent thereof, under such business management services agreement holds itself out as an agent of such Person;

(s) Will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(t) Except in connection with the Loan by Borrower to Urbn Leaf, will not make loans to any Person or hold evidence of Indebtedness issued by any other Person or entity (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity);

(u) Will not identify its constituent partners, members or shareholders (as applicable), or any Affiliate of any of them, as a division or part of it, and has not identified itself, and shall not identify itself, as a division of any other Person;

(v) Will not have any obligation to indemnify, and will not indemnify, its partners, officers, directors (other than independent directors), managers or members, as the case may be, unless such an obligation is fully subordinated to the Obligations and will not constitute a claim against such Person in the event that cash flow in excess of the amount required to pay the Obligations is insufficient to pay such obligation; provided, however that the foregoing shall not be deemed to prohibit Borrower from indemnifying such Persons without having to subordinate such obligations to the Obligations;

(w) Except as provided in the Loan Documents and the Other Loan Documents, will not have any of its obligations guaranteed by any Affiliate;

(x) Will comply with all of the terms and provisions contained in its organizational documents;

(y) On or before the date that is forty-five (45) days after the Effective Date and at all times thereafter, will have an express acknowledgment in its organizational documents that Lender is an intended third-party beneficiary of the “special purpose/separateness/bankruptcy remote” provisions (as applicable) of such organizational documents; and

(z) Will not consent to any other Person (i) operating its business in the name of such Special Purpose Entity, (ii) acting in the name of such Special Purpose Entity, (iii) using such Special Purpose Entity’s stationery or business forms, (iv) holding out its credit as being available to satisfy the obligations of such Special Purpose Entity, (v) having contractual liability for the payment of any of the liabilities of such Special Purpose Entity (except pursuant to the limited

extent provided under the Loan Documents), or (vi) failing to at all times specify to all relevant third parties that it is acting in a capacity other than as the applicable Special Purpose Entity.

EXHIBIT C

DESCRIPTION OF VISTA OUTPARCEL

See attached

PROJECT INFO.

PROJECT ADDRESS:
909 WEST VISTA WAY VISTA CA. 92083

A.P.N.:
164-091-20-00

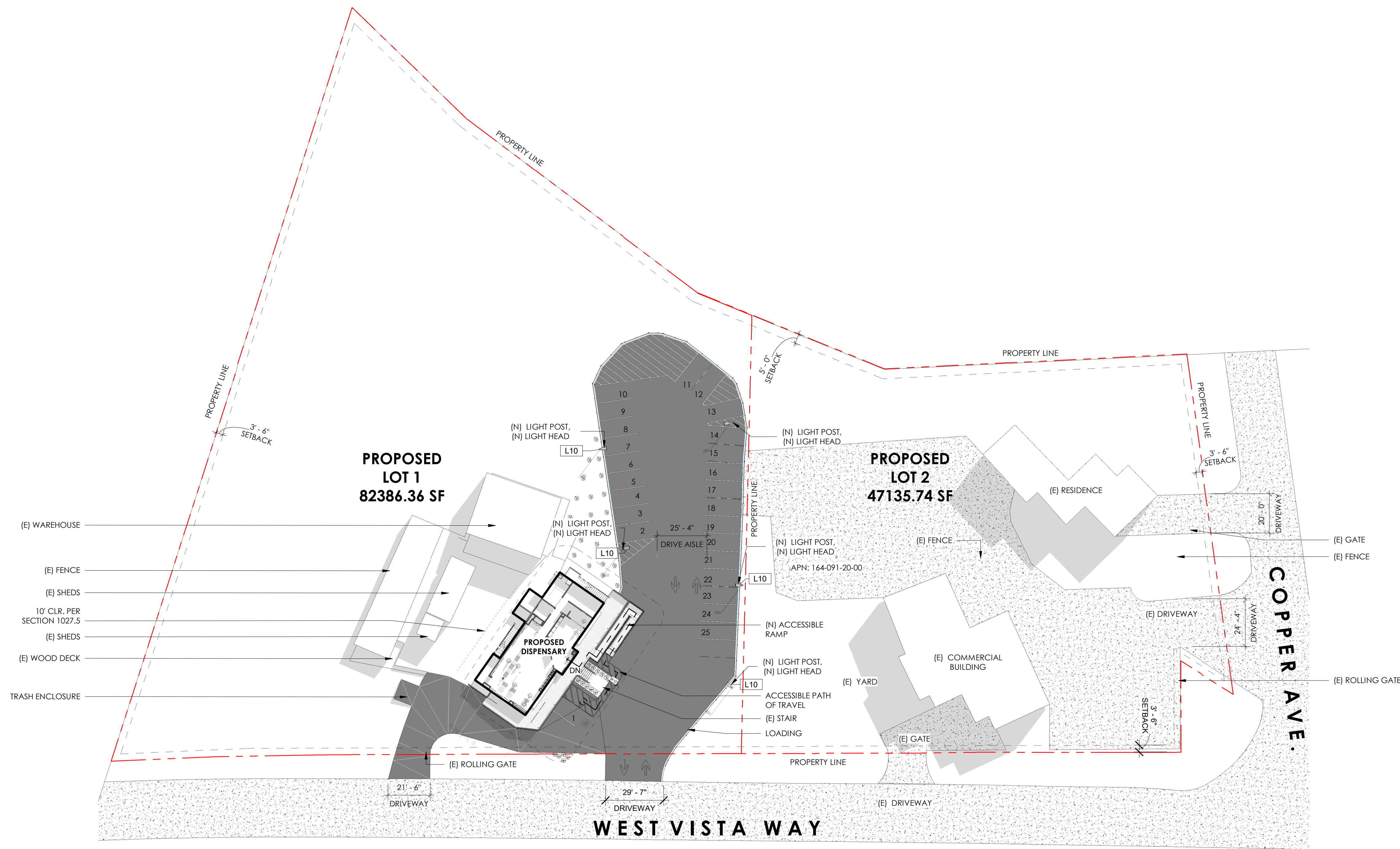
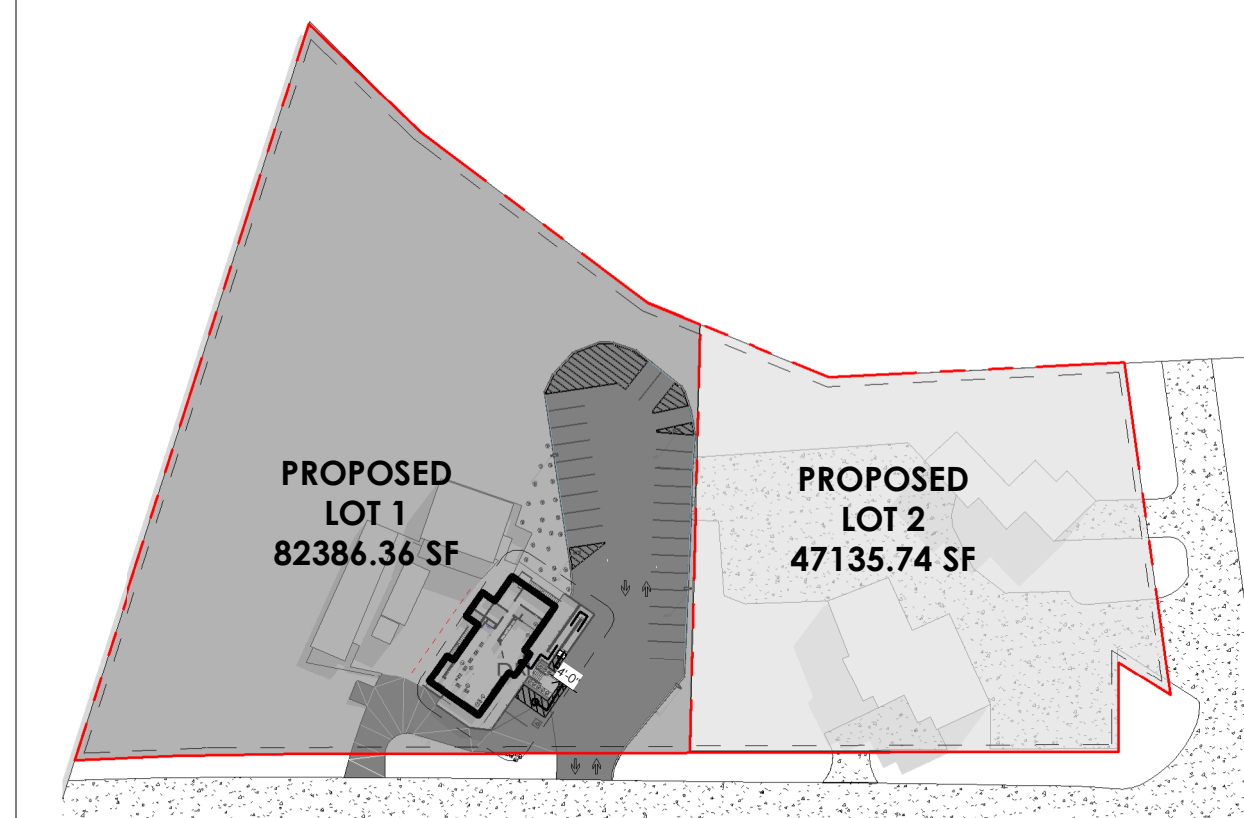
LOT SITE AREA:
129,437.50 SQFT. 2.97 AC.

BUILDING SITE AREA
IN A C-1 ZONE

LEGAL DESCRIPTION:
THAT PORTION OF LOT 8 OF RICHARDSON'S ADDITION TO VISTA, IN THE CITY OF VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1501, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY RECORDED OF SAN DIEGO COUNTY, DECEMBER 4, 1912

PER SECTION 18.38.070
THERES NO MINIMUM AREA REQUIREMENT FOR LOTS OR BUILING SITES.

PROPOSED LOT SPLIT



① SITE PLAN - PROPOSED LOT SPLIT
1" = 30'-0"