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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

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

Date of Report (Date of earliest event reported): May 10, 2024

**PLANET 13 HOLDINGS INC.**

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(Exact name of registrant as specified in its charter)

<u>                    Nevada                    </u> (State or other jurisdiction of incorporation)	<u>                    000-56374                    </u> (Commission File Number)	<u>                    83-2787199                    </u> (I.R.S. Employer Identification Number)
<u>                    2548 West Desert Inn Road, Suite 100                     Las Vegas, Nevada                    </u> (Address of principal executive offices)		<u>                    89109                    </u> (Zip Code)

(702) 815-1313  
(Registrant's telephone number, including area code)

Not applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.424)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Emerging growth company

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

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On May 10, 2024 (the “Closing Date”), the Company completed its previously announced acquisition of all of the membership interests in VidaCann, LLC (the “VC Acquisition”) pursuant to a Membership Interest Purchase Agreement dated August 28, 2023 with VidaCann, LLC (“VidaCann”), Loop’s Dispensaries, LLC (“Dispensaries”), Ray of Hope 4 Florida, LLC (“Ray of Hope”) and Loops Nursery & Greenhouses, Inc. (“Nursery” and together with Dispensaries and Ray of Hope, the “Sellers”), David Loop (“Loop”) and Mark Ascik (together with Loop, the “Indemnifying Members”) and Loop, solely in his capacity as Seller Representative, as amended by that First Amendment dated April 26, 2024 (the “Amendment” and as amended, the “VC Purchase Agreement”), upon the terms and subject to the conditions set forth therein.

Pursuant to the VC Purchase Agreement, the Company acquired VidaCann from the Sellers for agreed consideration on the Closing Date equal to the sum of: (i) 81,872,252 shares of common stock, no par value of the Company (the “Share Consideration”) issued to the Sellers or equityholders of a Seller (a “Seller Owner”), as applicable, of which 1,307,698 shares were issued to VidaCann’s industry advisor (the “VC Advisor”); (ii) a cash payment of approximately US\$4,000,000; and (iii) promissory notes issued by the Company to the Sellers in the aggregate principal amount of US\$5,000,000 (the “Seller Notes”), subject to adjustments as set out in the VC Purchase Agreement. Based on the closing price of the Company’s common stock of (CAD\$0.9100) US\$0.6647 as of May 9, 2024 on the Canadian Securities Exchange (based on the Bank of Canada CAD to USD exchange rate on May 9, 2024 of CAD\$1.00=US\$0.7304), the total consideration is valued at approximately US\$63.4 million.

The Seller Notes accrue interest at 5% per annum and the principal amount and all accrued and unpaid interest are due on April 1, 2025. In the event of default, the Sellers may declare the entire unpaid principal amount of the Seller Notes together with all accrued but unpaid interest immediately due and payable. Upon the occurrence of an event of default, the outstanding principal amounts of the Seller Notes and any accrued and unpaid interest will bear interest at 15%.

In addition, as contemplated by the VC Purchase Agreement, VidaCann continued to have approximately US\$3,000,000 of bank indebtedness (the “Bank Loan”) and US\$1,500,000 in aggregate principal amount of related party promissory notes (the “Related Party Notes”) at the Closing Date, each of which were assumed by the Company.

The Related Party Notes consist of (i) a promissory note in the principal amount of US\$750,000 issued to David Loop, who is nominated to become a director on the Board of Directors of the Company (the “Board”) in accordance with the Director Nomination Agreement described under Item 5.02 below, and (ii) a promissory note in the principal amount of US\$750,000 issued to Mark Ascik, Sr., who became the Company’s President of Florida Operations and an executive officer of the Company on the Closing Date. The Related Party Notes accrue interest at 7.5% per annum and the principal amount and all accrued and unpaid interest are due on the fifth anniversary of the Closing Date. In the event of default, the holders of the Related Party Notes may declare the entire unpaid principal amount of the Related Party Notes together with all accrued but unpaid interest immediately due and payable. Upon the occurrence of an event of default, the outstanding principal amounts of the Related Party Notes and any accrued and unpaid interest will bear interest at 10%.

On February 2, 2022, VidaCann entered into the Bank Loan with Lafayette State Bank (“LSB”) as the lender. The Bank Loan is a secured loan in the principal amount of US\$3,000,000, which has been drawn down in full by VidaCann under the revolving line of credit of the Bank Loan and approximately US\$3,000,000 remains outstanding as of the Closing Date. The Bank Loan is payable upon LSB’s demand. If no demand is made, the outstanding principal plus all accrued and unpaid interest is due on February 20, 2025. The Bank Loan is subject to a variable interest rate, currently set at 10% per annum and interest is payable monthly. The Bank Loan is guaranteed by David Loop and Mark Ascik, Sr. and the Company expects to replace them as guarantor under the Bank Loan. The Bank Loan contains certain customary covenants for debt of this type and events of default. In the event of default, at LSB’s option, all indebtedness will become immediately due and payable. Upon the occurrence of an event of default, the outstanding principal amount of the Bank Loan and any accrued and unpaid interest will bear interest at 18%.

Upon the closing of the VC Acquisition, the Sellers and Seller Owners, along with the VC Advisor, in the aggregate, have approximately 25.18% ownership in the Company. Each Seller and each Seller Owner that held over 5% in direct or indirect interest in VidaCann, including David Loop and Mark Ascik, Sr., is subject to a lock-up agreement (the “Lock-Up Agreement”) restricting trading of the aggregate 29,995,124 shares of the Share Consideration received by them, with the release of one-third of the shares from such restrictions six months following the Closing Date and each subsequent six months thereafter. The Company has also entered into standard non-competition agreements with Mr. Loop and Mr. Ascik, Sr.

Mr. Loop, together with his spouse and affiliated trust, received 13,524,362 shares of common stock in connection with the closing of the VC Acquisition. Mr. Ascik, Sr., together with his spouse and affiliated trust, received 9,782,060 shares of common stock in connection with the closing of the VC Acquisition. Mark A. Ascik, Jr. who became the Company's Vice President of Florida Operations and an executive officer of the Company on the Closing Date, together with an affiliated trust, received 3,003,604 shares of common stock in connection with the closing of the VC Acquisition.

The foregoing description of the VC Purchase Agreement, the Amendment, the Seller Notes, the Related Party Notes, the Bank Loan and the Lock-Up Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the VC Purchase Agreement, which was filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on November 8, 2023 and the full text of the Amendment which was filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 29, 2024, and the form of Seller Note, form of Related Party Note, the Bank Loan and related promissory note thereunder, and the form of Lock-Up Agreement filed as Exhibits 10.3, 10.4, 10.5, 10.6 and 10.7, respectively, to this Current Report on Form 8-K and, in each case, incorporated into this Item 2.01 by reference.

The information contained under Item 5.02 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information contained in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information contained in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference. The Company issued the Share Consideration described herein in reliance upon exemptions from registration afforded by Section 4(a)(2) and/or Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

**Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.**

In connection with the closing of the VidaCann Acquisition described under Item 2.01 above, the Company and Dispensaries, the former holder of the majority interest in VidaCann, entered into a Director Nomination Agreement pursuant to which Dispensaries has the right to nominate one director to the Board. Pursuant to the Director Nomination Agreement, Dispensaries selected David Loop as its nominee to the Board and the Board approved Mr. Loop's appointment to the Board to be effective the next business day following the 2024 annual meeting of stockholders (the "Appointment Effective Date"). Dispensaries' board nomination right is effective for a period of one year from the Appointment Effective Date.

Other than as described herein or under Item 2.01 above in connection with the VC Acquisition, there are no related person transactions (within the meaning of Item 404(a) of Regulation S-K) between Mr. Loop and the Company. Mr. Loop does not have any family relationships with any of the Company's directors, executive officers, or other person nominated or chosen by the Company to become a director or executive officer. The Company expects to file a Current Report on Form 8-K to report Mr. Loop's appointment to the Board and to identify any committees to which he will be appointed.

The foregoing description of the Director Nomination Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Director Nomination Agreement, which is filed as Exhibit 10.8 to this Current Report on Form 8-K and incorporated into this Item 5.02 by reference.

**Item 7.01 Regulation FD Disclosure.**

On May 10, 2024, the Company issued a press release announcing the closing of the VC Acquisition and related matters. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in this Item 7.01 and in the accompanying Exhibit 99.1 shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this Item 7.01 and the accompanying Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act.

**Item 9.01 Financial Statements and Exhibits.**

**(a) Financial Statements of businesses or funds acquired.**

The financial statements required by this item relating to the VC Acquisition will be filed by amendment to this Current Report on Form 8-K no later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

**(b) Pro forma financial information.**

The pro forma financial information required by this item relating to the VC Acquisition will be filed by amendment to this Current Report on Form 8-K no later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

**(d) Exhibits**

Exhibit No.	Description	Incorporated by Reference			Filed/Furnished Herewith
		Form	Exhibit	Filing Date	
10.1#	<a href="#">Membership Interest Purchase Agreement, dated August 28, 2023, by and between Planet 13 Holdings Inc., VidaCann LLC, Loop’s Dispensaries, LLC, Ray of Hope 4 Florida, LLC, Loop’s Nursery &amp; Greenhouses, Inc., David Loop and Mark Ascik and David Loop, solely in his capacity as Seller Representative.</a>	10-Q	10.1	11/08/2023	
10.2	<a href="#">First Amendment to Membership Interest Purchase Agreement, dated April 26, 2024, by and between Planet 13 Holdings Inc., VidaCann LLC, Loop’s Dispensaries, LLC, Ray of Hope 4 Florida, LLC, Loops Nursery &amp; Greenhouses, Inc., David Loop and Mark Ascik and David Loop, solely in his capacity as Seller Representative.</a>	8-K	10.1	04/29/2024	
10.3	<a href="#">Form of Promissory Note, dated May 10, 2024 (Seller Note).</a>				✓
10.4	<a href="#">Form of Promissory Note, dated May 10, 2024 (Related Party Note).</a>				✓
10.5	<a href="#">Business Loan Agreement, dated February 2, 2022, by and between VidaCann, LLC and Lafayette State Bank.</a>				✓
10.6	<a href="#">Promissory Note, dated February 2, 2022, issued by VidaCann, LLC.</a>				✓
10.7	<a href="#">Form of Lock-Up Agreement, dated May 10, 2024.</a>				✓
10.8	<a href="#">Director Nomination Agreement, dated May 10, 2024, by and between Planet 13 Holdings Inc. and Loop’s Dispensaries, LLC.</a>				✓
99.1	<a href="#">Press Release dated May 10, 2024.</a>				✓
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.				

# Certain schedules and exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the Securities and Exchange Commission upon request.

**SIGNATURES**

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

Planet 13 Holdings Inc.

Date: May 14, 2024

By: */s/ Robert Groesbeck*  
Name Robert Groesbeck  
Its: Co-Chief Executive Officer

Date: May 14, 2024

By: */s/ Larry Scheffler*  
Name Larry Scheffler  
Its: Co-Chief Executive Officer

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE MAKER HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR SUCH OTHER APPLICABLE LAWS.

PROMISSORY NOTE

\$ \_\_\_\_\_

Dated: May 10, 2024

FOR VALUE RECEIVED, Planet 13 Holdings Inc., a Nevada corporation (“Maker”), promises to pay to \_\_\_\_\_ (“Payee”) the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), lawful money of the United States of America, together with interest accrued thereon, at the rate and on the terms hereinafter set forth.

Maker and Payee are parties to a Membership Interest Purchase Agreement dated as of August 28, 2023, among them and certain other parties (the “Purchase Agreement”). This Promissory Note (this “Note”) is one of the Seller Notes referred to in the Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

1. Payment of Interest and Principal.

(a) Interest Rate. Interest on the unpaid principal amount of this Note from time to time outstanding shall accrue at a rate equal to 5% per annum, computed on the basis of a 365/366-day year for the actual number of days elapsed.

(b) Payment of Principal and Interest. The entire unpaid principal amount of this Note and all accrued and unpaid interest shall be due and payable on April 1, 2025 (the “Maturity Date”).

(c) Prepayment. Maker shall have the right to prepay at any time and from time to time, without penalty or premium, all or any portion of the outstanding principal of this Note prior to the Maturity Date. All prepayments shall be applied first to accrued interest and second to unpaid principal.

(d) Place of Payment. Maker shall make all payments to Payee at the address of Payee as set forth in Section 8 hereof or to such other place as Payee, from time to time, shall designate in writing to Maker.

2. Events of Default; Remedies.

(a) Events of Default. The following shall constitute events of default ("Events of Default");

(i) Maker fails to pay when due any principal or interest due hereunder and shall not have remedied such failure after 5 business days' written notice thereof to Maker; *provided, however*, if Maker asserts, in good faith, a right to offset all or a portion of such payment when due in accordance with Section 4, such payment or portion thereof shall not be deemed to be due until either Maker and Payee agree as to the amount of any such offset or the amount of any such offset is determined as provided in Section 4 hereof.

(ii) The occurrence of any of the following events with respect to Maker: (A) the making of an assignment for the benefit of creditors; (B) the appointment of a receiver or trustee for all or any substantial portion of Maker's assets; or (C) the commencement of proceedings in bankruptcy or any other proceedings for arrangement or reorganization of Maker's debts under any state or federal law, whether instituted by or against it (*provided, however*, if proceedings are commenced against Maker, there shall be not an Event of Default unless Maker shall have failed to obtain dismissal of the proceedings within 90 days of their commencement).

(b) Remedies. After the occurrence of an Event of Default which is continuing, subject to Section 3 hereof, Payee shall have the right, by written notice to Maker, to declare the entire unpaid principal amount of this Note together with all accrued but unpaid interest immediately due and payable. Maker hereby waives presentment, protest, demand, notice of dishonor and all other requirements of any kind. Payee's failure to exercise any right or remedy under this Note or acceptance of partial or delinquent payments, shall not be a waiver of any obligation of Maker or right of Payee, or constitute Payee's waiver of any other default subsequently occurring. Upon the occurrence of any Event of Default, the outstanding principal balance of this Note, and any accrued and unpaid interest and any other sums due hereunder shall bear interest at the rate of 15% (the "Default Rate").

3. Rights Cumulative. The remedies of Payee as provided in this Note shall be cumulative and concurrent; may be pursued singly, successively or together at the sole discretion of Payee, and may be exercised as often as occasion for their exercise shall occur.

4. Right of Setoff; Disputes.

(a) Maker shall have the right to offset against any payments due under this Note to the extent provided in the Purchase Agreement. Any offset under this Note shall be first applied against accrued interest and then against principal.

(b) Any disputes between Maker and Payee regarding amounts that may be offset under this Note shall be settled in accordance with the relevant provisions of the Purchase Agreement, including, without limitation, Section 9.7 of the Purchase Agreement; *provided, however*, if the substance of such dispute has already been resolved under the Purchase Agreement, such resolution shall be binding on Maker and Payee.

5. **Payments of Costs.** After the occurrence of an Event of Default, in the event that Payee is the prevailing party in any action seeking to enforce its rights and remedies under this Note, Maker shall pay all reasonable costs of collection, including reasonable attorney's fees, incurred by Payee in collecting any amounts due and payable thereunder. In the event that Payee is the non-prevailing party in any action seeking to enforce its rights and remedies under this Note, Payee shall pay all reasonable costs, including reasonable attorney's fees, incurred by Maker in defending any such action.

6. **Note Not Negotiable.** This Note is non-negotiable, and Payee shall not assign any rights hereunder without Maker's prior written consent.

7. **Controlling Law.** This Note and all questions relating to its validity, interpretation or performance and enforcement shall be governed by and construed in accordance with the laws of the State of Nevada.

8. **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) when received by the addressee if sent via electronic mail (with written confirmation of receipt). Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8):

If to Maker:

Planet 13 Holdings Inc.  
2548 W Desert Inn Rd, Suite 100  
Las Vegas, Nevada  
Attn: Dennis Logan, CFO  
Email: [PERSONAL INFORMATION OMITTED]

With a copy to, which shall not constitute notice:

Cozen O'Connor  
One Liberty Place  
1650 Market Street, Suite 2800  
Philadelphia, PA 19103  
Attn: Joseph C. Bedwick, Esq.  
Email: jbedwick@cozen.com

If to Payee:

[●]  
Attn: [●]  
Email: [●]



With a copy to, which shall not constitute notice:

[Insert Law Firm (if applicable)]

9. Binding Nature of Note. This Note shall be binding upon Maker and its successors and assigns and shall inure to the benefit of Payee and its permitted successors and assigns.

10. Miscellaneous. This Note is subject to the following additional provisions:

(a) Severability. This Note is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Note or the application thereof to any person or circumstances shall, for any reason and to the extent, be invalid or unenforceable, the remainder of this Note and the application of such provision to other persons or circumstances shall not be affected thereby but instead shall be enforced to the greatest extent permitted by law.

(b) Corporate Approvals. The execution, delivery and performance of this Note and all other agreements and instruments to be executed pursuant hereto, and the consummation of the transactions contemplated hereby, have been duly authorized and approved by all requisite action of Maker and constitute the legal, valid and binding obligations of Maker.

(c) Authority. The individual or individuals executing this Note each hereby represent and warrant that such individual is empowered and duly authorized to so execute this Note on behalf of the party or parties such individual represents, and that such execution shall bind the entity on whose behalf such individual has executed this Agreement.

(d) Location, Timing, and Form of Payment. All payments due under this Note are payable on or before 2:00 p.m. Pacific Time on the Maturity Date, at the office of Payee specified above, or at such other place as Payee may designate in writing and shall be credited on the date the funds become available in lawful money of the United States. All sums payable to Payee that are due on a day on which Payee is not open for business shall be paid on the next succeeding business day.

(e) Waiver or Amendment of Terms. None of the terms or provisions of this Note may be waived, altered modified or amended except by a written document executed by Payee and Maker, and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event.

(f) Electronic Signature. A signed copy of this Note delivered by .pdf, DocuSign, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Note unless otherwise prohibited by law or required in writing by Payee.

IN WITNESS WHEREOF, Maker, intending to be legally bound, has caused its duly authorized representative to execute and deliver this Note on the date first written above.

PLANET 13 HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

PROMISSORY NOTE

\$ \_\_\_\_\_

Dated: May 10, 2024

FOR VALUE RECEIVED, VidaCann, LLC, a Florida limited liability company ("Maker"), promises to pay to \_\_\_\_\_ ("Payee") the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), lawful money of the United States of America, together with interest accrued thereon, at the rate and on the terms hereinafter set forth.

Maker and Planet 13 Holdings Inc. are parties to a Membership Interest Purchase Agreement dated as of August 28, 2023, among them and certain other parties named therein (the "Purchase Agreement"). This Promissory Note (this "Note") reflects a portion of the Related Party Debt. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

Although the loan was made pursuant to that certain Loan Agreement, dated November 1, 2022, by and between Maker and Payee (the "Loan"), the Payee did not require Maker to issue a promissory note evidencing the Loan. The Maker issues this Note, as of the date hereof, to memorialize the amount of the Loan that is outstanding as of the date hereof and the repayment terms from the date hereof until the Maturity Date. Payee represents and warrants that Maker has paid all other amounts due and owing to Payee except as provided in this Note. By accepting this Note, Payee acknowledges and agrees (as evidenced by a separate simultaneously executed Acceptance of Promissory Note) that, but for the amount provided in this Note and as of the date of this Note, that the full amount due and owing from Maker to Payee under the Loan is evidenced by this Note and Payee releases the right to any amounts in excess of the amount of this Note.

1. Payment of Interest and Principal.

(a) Interest Rate. Interest on the unpaid principal amount of this Note from time to time outstanding shall accrue at a rate equal to 7.5% per annum, computed on the basis of a 365/366-day year for the actual number of days elapsed.

(b) Payment of Principal and Interest. The entire unpaid principal amount of this Note and all accrued and unpaid interest shall be due and payable on the fifth anniversary of the date hereof (the "Maturity Date").

(c) Prepayment. Maker shall have the right to prepay at any time and from time to time, without penalty or premium, all or any portion of the outstanding principal of this Note prior to the Maturity Date. All prepayments shall be applied first to accrued interest and second to unpaid principal.

(d) Place of Payment. Maker shall make all payments to Payee at the address of Payee as set forth in Section 6 hereof or to such other place as Payee, from time to time, shall designate in writing to Maker.

2. Events of Default; Remedies.

(a) Events of Default. The following shall constitute events of default ("Events of Default"):

(i) Maker fails to pay when due any principal or interest due hereunder and shall not have remedied such failure after 5 business days' written notice thereof to Maker.

(ii) The occurrence of any of the following events with respect to Maker: (A) the making of an assignment for the benefit of creditors; (B) the appointment of a receiver or trustee for all or any substantial portion of Maker's assets; (C) the liquidation, dissolution, incompetency, or death of Maker; (D) a misrepresentation by the Maker to the Payee for the purpose of obtaining or extending credit; (E) the sale of a material portion of the stock or assets of the Maker; or (F) the commencement of proceedings in bankruptcy or any other proceedings for arrangement or reorganization of Maker's debts under any state or federal law, whether instituted by or against it (*provided, however*, if proceedings are commenced against Maker, there shall be not an Event of Default unless Maker shall have failed to obtain dismissal of the proceedings within 90 days of their commencement).

(b) Remedies. After the occurrence of an Event of Default which is continuing, subject to Section 3 hereof, Payee shall have the right, by written notice to Maker, to declare the entire unpaid principal amount of this Note together with all accrued but unpaid interest immediately due and payable. Maker hereby waives presentment, protest, demand, notice of dishonor and all other requirements of any kind. Payee's failure to exercise any right or remedy under this Note or acceptance of partial or delinquent payments, shall not be a waiver of any obligation of Maker or right of Payee, or constitute Payee's waiver of any other default subsequently occurring. Upon the occurrence of any Event of Default, the outstanding principal balance of this Note, and any accrued and unpaid interest and any other sums due hereunder shall bear interest at the rate of 10% (the "Default Rate").

3. Rights Cumulative. The remedies of Payee as provided in this Note shall be cumulative and concurrent; may be pursued singly, successively or together at the sole discretion of Payee, and may be exercised as often as occasion for their exercise shall occur.

4. Payments of Costs. After the occurrence of an Event of Default, Maker shall pay all reasonable costs of collection, including reasonable attorney's fees, incurred by Payee in collecting any amounts due and payable thereunder.

5. Controlling Law. This Note and all questions relating to its validity, interpretation or performance and enforcement shall be governed by and construed in accordance with the laws of the State of Florida.

6. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) when received by the addressee if sent via electronic mail (with written confirmation of receipt). Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 6):

If to Maker:

VidaCann, LLC  
4844 Racetrack Road  
St. Johns, Florida 32259  
Attn: [Insert Name]  
Email: [Insert Email]

With a copy to, which shall not constitute notice:

[Insert Law Firm (if applicable)]

If to Payee:

[•]  
Attn: [•]  
Email: [•]

7. Note. This Note shall be binding upon Maker and its successors and assigns and shall inure to the benefit of Payee and its permitted successors and assigns.

8. Miscellaneous. This Note is subject to the following additional provisions:

(a) Severability. This Note is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Note or the application thereof to any person or circumstances shall, for any reason and to the extent, be invalid or unenforceable, the remainder of this Note and the application of such provision to other persons or circumstances shall not be affected thereby but instead shall be enforced to the greatest extent permitted by law.

(b) Corporate Approvals. The execution, delivery and performance of this Note and all other agreements and instruments to be executed pursuant hereto, and the consummation of the transactions contemplated hereby, have been duly authorized and approved by all requisite action of Maker and constitute the legal, valid and binding obligations of Maker.

(c) Waiver or Amendment of Terms. None of the terms or provisions of this Note may be waived, altered modified or amended except by a written document executed by Payee and Maker, and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event.

(d) Location. All payments due and paid under this Note shall be deemed paid and payable at the office of Payee.

(e) Electronic Signature. A signed copy of this Note delivered by .pdf, DocuSign, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Note unless otherwise prohibited by law or required in writing by Payee.

(f) Assignment. Payee may assign this Note only with the prior written consent of Maker, which consent will not be unreasonably withheld, delayed or conditioned. IN WITNESS WHEREOF, Maker, intending to be legally bound, has caused its duly authorized representative to execute and deliver this Note on the date first written above.

IN WITNESS WHEREOF, Maker, intending to be legally bound, has caused its duly authorized representative to execute and deliver this Note on the date first written above.

VIDACANN, LLC

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGED, AGREED AND ACCEPTED BY PAYEE:

\_\_\_\_\_



\*00000004001431500095502022022\*



**BUSINESS LOAN AGREEMENT**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$3,000,000.00	02-02-2022	02-20-2025	4001431500	4a / 0011	***	***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** VidaCann LLC  
450-106 State Road 13 N #371  
St. Johns , FL 32259

**Lender:** Lafayette State Bank  
Mayo Office  
340 West Main Street - P O Box 108  
Mayo, FL 32066-0108

**THIS BUSINESS LOAN AGREEMENT** dated February 2, 2022, is made and executed between VidaCann LLC ("Borrower") and Lafayette State Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender has applied, to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) In granting, renewing, or e ending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

**TERM.** This Agreement shall be effective as of February 2, 2022, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

**LINE OF CREDIT.** The Indebtedness includes a revolving line of credit. Advances under the Indebtedness, as well as directions for payment from Borrower's accounts, may be requested orally by Borrower or as provided in the "Advance Authority" section below. Lender may, but need not require that all requests be confirmed in writing. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person as described in the "Advance Authority" section below or (B) credited to any of Borrower's accounts with Lender.

**ADVANCE AUTHORITY.** The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **David W Loop, Manager of VidaCann LLC; and Mark A Ascik, Manager of VidaCann LLC. Advances shall be made directly to Borrower's designated checking account with Lender.**

**CONDITIONS PRECEDENT TO EACH ADVANCE.** Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

**Loan Documents.** Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreement granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

**Borrower's Authorization.** Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

**Payment of Fees and Expenses.** Borrower shall have paid to lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

**Representations and Warranties.** The representations and warranties set forth in this Agreement, in the Related Documents, and in a document or certificate delivered to Lender under this Agreement are true and correct.

**No Event of Default.** There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

**REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

**Organization.** Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Florida. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the fu power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage Borrower maintains an office at 450-106 State Road 13 N #371, St. Johns, FL 32259. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

**Assumed Business Names.** Borrower has filed or recorded all documents or filings required by law relating to all assumed business name used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None.**

**Authorization.** Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) an provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

**Financial Information.** Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

**Legal Effect.** This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

**Properties.** Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statement relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing

**BUSINESS LOAN AGREEMENT  
(Continued)**

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statement under any other name for at least the last five (5) years.

**Hazardous Substances.** Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior, owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for Indemnity or contribution in the event Borrower becomes liable for clean up or other costs under any such laws and (2) agrees to indemnify, defend, and hold harmless lender against any and all claims, losses, liabilities, damages, penalties, and expenses which lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by lender's acquisition of any interest in any of the Collateral, whether by foreclosure or, otherwise.

**Litigation and Claims.** No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

**Taxes.** To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

**Lien Priority.** Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

**Binding Effect.** This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

**AFFIRMATIVE COVENANTS.** Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

**Notice of Claims and Litigation.** Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

**Financial Records.** Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

**Financial Statements.** Furnish Lender with the following:

**Annual Statements.** As soon as available, but in no event later than 10 days after the end of each fiscal year. Borrower's balance sheet and income statement for the year ended, prepared by Borrower.

**Tax Returns.** As soon as available, but in no event later than 10 days after the applicable filing date for the tax reporting period ended, Borrower's Federal and other governmental tax returns, prepared by a certified public accountant satisfactory to Lender.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

**Additional Information.** Furnish such additional information and statements, as Lender may request from time to time.

**Insurance.** Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled, or diminished without at least fourteen (14) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered Security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsement as Lender may require.

**Insurance Reports.** Furnish to lender upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including not without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

**Guaranties.** Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantors named below on Lender's form and in the amounts and under the conditions set forth in those guaranties.

<u>Names of Guarantors</u>	<u>Amounts</u>
Loop's Dispensaries, LLC	100.000% of \$3,000,000.00
Loop's Nursery & Greenhouse Inc.	100.000% of \$3,000,000.00
David W Loop	100.000% of Borrower's Indebtedness
Mark A Ascik	100.000% of Borrower's Indebtedness

**Other Agreements.** Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify lender immediately in writing of any default in connection with any other such agreements.

**Loan Proceeds.** Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender.

**Taxes, Charges, and Liens.** Pay and discharge when due all of its indebtedness and obligations, including without limitation assessments, taxes, governmental charges, levies and liens, of every kind, and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment tax, charge, levy, lien, or claim in accordance with GAAP.

**Performance.** Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement in the Related Documents, and in all other instruments and agreements between Borrower and lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

**Operations.** Maintain executive and management personnel with substantiality the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

**Environmental Studies.** Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste by-product of any substance defined



**BUSINESS LOAN AGREEMENT  
(Continued)**

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as toxic or hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

**Compliance with Governmental Requirements.** Comply with all laws, ordinances and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, business and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Inspection.** Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records, (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party. Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

**Environmental Compliance and Reports.** Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentally concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

**Additional Assurances.** Make, execute, and deliver to lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

**Deposit Accounts.** Borrower will regularly deposit ALL of the funds received from its business activities in accounts maintained by borrower at Bank and further agrees that it will maintain no other depository relationship with an outside financial entity unless first obtaining written approval by Bank. Payments of interest and principal due on the Loan and any other obligations created by this Agreement may in Bank's discretion be charged against any of Borrower's accounts with Bank. Borrower hereby grants to the Bank unrestricted right of set-off against any account of Borrower with the Bank. **THIS REQUIREMENT APPLIES TO ALL BORROWERS, CO-BORROWERS AND GUARANTORS.**

**RECOVERY OF ADDITIONAL COSTS.** If the imposition of or any change in any law, rule, regulation, guideline, or generally accepted accounting principle, or the interpretation or application of any thereof by any court, administrative or governmental authority, or standard-setting organization (including any request or policy not having the force of law) shall impose, modify or make applicable any taxes (except federal, state or local income or franchise taxes imposed on Lender), reserve requirements, capital adequacy requirements or other obligations which would (A) increase the cost to Lender for extending or maintaining the credit facilities to which this Agreement relates, (B) reduce the amounts payable to lender under this Agreement or the Related Documents, or (C) reduce the rate of return on Lender's capital as a consequence of Lender's obligations with respect to the credit facilities to which this Agreement relates, then Borrower agrees to pay Lender such additional amounts as will compensate Lender therefor, within five (5) days after Lender's written demand for such payment, which demand shall be accompanied by an explanation of such imposition or charge and a calculation in reasonable detail of the additional amounts payable by Borrower, which explanation and calculations shall be conclusive in the absence of manifest error.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge, or pay under this Agreement or any Related Documents, lender on Borrower's behalf may (but shall not be obligated to) take any action that lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on all Collateral and paying all costs for Insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

**NEGATIVE COVENANTS.** Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

**Indebtedness and liens.** (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts receivable, except to Lender.

**Continuity of Operations.** (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operation, liquidate, merge or restructure as a legal entity (whether by division or otherwise), consolidate with or acquire any other entity, change its name, convert to another type of entity or redomesticate, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account whether by reduction of capital or otherwise.

**Loans, Acquisitions and Guaranties.** (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

**Agreements.** Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

**CESSATION OF ADVANCES.** If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantors guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes an accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any: IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts, and, at Lenders option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due, under the Loan.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform, any term, obligation, covenant or condition contained in any other agreement between lender and Borrower.

**Default in Favor of Third Parties.** Borrower, or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**BUSINESS LOAN AGREEMENT  
(Continued)**

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**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Right to Cure.** If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**EFFECT OF AN EVENT OF DEFAULT.** If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses.** Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Consent to Loan Participation.** Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Florida.

**Choice of Venue.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Lafayette County, State of Florida.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Subsidiaries and Affiliates of Borrower.** To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

**Successors and Assigns.** All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right consent of Lender, to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

**Survival of Representations and Warranties.** Borrower understands and agrees that in extending Loan Advances, Lender is relying on all

**BUSINESS LOAN AGREEMENT  
(Continued)**

Loan No: 4001431500

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representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**Waive Jury.** All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

**Advance.** The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

**Agreement.** The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

**Borrower.** The word "Borrower" means VidaCann LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Collateral.** The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**GAAP.** The word "GAAP" means generally accepted accounting principles.

**Grantor.** The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

**Lender.** The word "Lender" means Lafayette State Bank, its successors and assigns.

**Loan.** The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

**Note.** The word "Note" means the Note dated February 2, 2022 and executed by VidaCann LLC in the principal amount of \$3,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**Permitted Liens.** The words "Permitted Liens" mean (1) liens and security interests securing Indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

**Security Agreement.** The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing representing or creating a Security Interest.

**Security Interest.** The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law contract, or otherwise.

**BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED FEBRUARY 2, 2022.**

**BORROWER:**

VIDACANN, LLC

By: /s/ David W Loop  
David W Loop, Manager of VidaCann LLC

By: /s/ Mark A Ascik  
Mark A Ascik, Manager of VidaCann LLC

**BUSINESS LOAN AGREEMENT  
(Continued)**

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**LENDER:**

**LAFAYETTE STATE BANK**

**By: /s/ Jim Esry** \_\_\_\_\_  
Jim Esry, President



\*00000004001431500095502022022\*



## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$3,000,000.00	02-02-2022	02-20-2025	4001431500	4a / 0011	***	***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** VidaCann LLC  
450-106 State Road 13 N #371  
St. Johns, FL 32259

**Lender:** Lafayette State Bank  
Mayo Office  
340 West Main Street - P O Box 108  
Mayo, FL 32066-0108

Principal Amount: \$3,000,000.00

Date of Note: February 2, 2022

**PROMISE TO PAY.** VidaCann LLC ("Borrower") promises to pay to Lafayette State Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Three Million & 00/100 Dollars (\$3,000,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on February 20, 2025. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning March 3, 2022, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Wall Street Journal "Prime Rate" in effect as published from time to time (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 3.250% per annum.** Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.500 percentage points over the Index (the "Margin"), adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.750% per annum based on a year of 360 days. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.750% per annum or more than the maximum rate allowed by applicable law.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the Interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Lafayette State Bank, Post Office Box 108 Mayo, FL 32066-0108.**

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant, or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**PROMISSORY NOTE  
(Continued)**

Loan No: 4001431500

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**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Lafayette County, State of Florida.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$32.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein:

- (A) a Commercial Security Agreement dated February 2, 2022 made and executed between VidaCann LLC and Lender on collateral described as:
  - All Equipment including, but not limited to, all items listed on Exhibit hereto.
  - All Inventory including, but not limited to, medical marijuana and all stages of growth of marijuana from seed to processed medical marijuana held for sale and all organic and inorganic materials used in cultivating, processing, transporting and dispensing of medical marijuana;
  - All Leasehold Improvements; located at 450-106 State Road 13 N #371, St. Johns, FL 32259
  - All Fixtures; located at 450-106 State Road 13 N #371, St. Johns, FL 32259
  - All Intellectual Property including, but not limited to, rights to use names, trademarks, computer software and applications;
  - All licenses including but not limited to, the Medical Marijuana Treatment Center License Number MMTc-2017-0009 issued to Vidacann, LLC by the State of Florida, Department of Health, Office of Medical Marijuana Use;
  - All Contracts and Documents calling for the performance of services for Granter; and
  - All Instruments, Accounts, Letters of Credit, Chattel Paper, Deposits, Money and any rights money or payments of money of any kind.

**LINE OF CREDIT.** This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **David W Loop, Manager of VidaCann LLC; and Mark A Ascik, Manager of VidaCann LLC. Advances shall be made directly to Borrower's designated checking account with Lender.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**VIDACANN LLC**

By: /s/ David Loop  
David W Loop, Manager of VidaCann LLC

By: /s/ Mark A Ascik  
Mark A Ascik, Manager of VidaCann LLC

**Florida Documentary Stamp Tax**

**Florida documentary stamp tax required by law in the amount of \$10,500.00 has been paid or will be paid directly to the Department of Revenue. Certificate of Registration No. 44-8000636925-1.**

**Lock-Up Agreement**

May 10, 2024

Planet 13 Holdings Inc.  
2548 W Desert Inn Rd, Suite 100  
Las Vegas, Nevada 89109

To whom this may concern:

As an inducement for (i) Planet 13 Holdings Inc., a Nevada corporation ("Planet 13" or "Purchaser") to execute the membership interest purchase agreement (the "Purchase Agreement"), dated as of August 28, 2023, by and among Purchaser, VidaCann, LLC, a Florida limited liability company, Loop's Dispensaries, LLC, Ray of Hope 4 Florida, LLC, Loops Nursery & Greenhouses, Inc., David Loop and Mark Ascik, and (ii) Purchaser to issue (the "Issuance") its common stock, no par value (the "Purchaser Stock"), in connection with and pursuant to the Purchase Agreement, the undersigned hereby agrees, except as permitted under the Purchase Agreement (including, without limitation, Section 6.12 of the Purchase Agreement) or without, in each case, the prior written consent of Planet 13, not to take any of the actions described below during the Lock-Up Period (as defined below):

(1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any shares of Purchaser Stock or any securities convertible into, exercisable or exchangeable for or that represent the right to receive Purchaser Stock (including, without limitation, Purchaser Stock which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the United States Securities and Exchange Commission, the Canadian Securities Exchange and securities which may be issued upon exercise of a stock option or warrant) whether now owned or hereafter acquired (the "Undersigned's Securities");

(2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Undersigned's Securities, whether any such transaction described in clause (1) above or this clause (2) is to be settled by delivery of Purchaser Stock or such other securities, in cash or otherwise;

(3) make any demand for or exercise any right with respect to, the registration of any Purchaser Stock or any security convertible into or exercisable or exchangeable for Purchaser Stock; or

(4) publicly disclose the intention to do any of the foregoing.

The preceding paragraph shall not apply to transfers of shares of Purchaser Stock or any right to receive Purchaser Stock by operation of law, such as pursuant to a qualified domestic order or as required by a divorce settlement (a "Permitted Transfer"), provided that such case, (i) the transferee (such transferee, a "Permitted Transferee") signs and delivers to Planet 13 a lockup agreement in substantially the same form as this Lock-Up Agreement (this "Agreement"), and Planet 13 is provided with details of such Permitted Transfer in writing in advance (including the name of the Permitted Transferee, his, her or its jurisdiction of residence and number of Purchaser Stock transferred to him, her or it and any applicable consideration involved), and (ii) such transfers will be completed in accordance with applicable U.S. federal and state securities laws and applicable Canadian Securities Laws.

Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Purchase Agreement.

The undersigned agrees that the foregoing restrictions preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Undersigned's Securities even if such Undersigned's Securities would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Undersigned's Securities or with respect to any security that includes, relates to, or derives any significant part of its value from such Undersigned's Securities.

The "Lock-Up Period" shall commence on the date of this Agreement and continue through the eighteen (18) month anniversary of the Closing Date provided that on the first day of the sixth (6<sup>th</sup>) month following the Closing Date and on the same date in each subsequent six (6) months thereafter, one-third of the Undersigned's Securities shall not be subject to this Agreement.

The undersigned agrees that for a period commencing on the date hereof until the date that is six (6) months following the Closing Date (the "Standstill Period") other than in connection with the transactions contemplated by the Purchase Agreement, neither he, she or it nor any person acting on behalf of, or in concert with he, she or it, will, directly or indirectly, without Purchaser's prior written consent, (i) acquire, agree to acquire, propose, seek or offer to acquire, any securities or assets of the Purchaser or any of its subsidiaries, (ii) enter, agree to enter, propose, seek or offer to enter into any merger, business combination, recapitalization, restructuring or other extraordinary transaction involving Purchaser or any of its subsidiaries, (iii) make, or in any way participate or engage in, any solicitation of proxies to vote any voting securities of Purchaser, (iv) form, join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the *Securities Exchange Act of 1934*, as amended) with respect to any voting securities of Purchaser, (v) otherwise act, alone or in concert with others, to seek to control or influence the management or the policies of Purchaser except to the extent of the undersigned's appointment as a director or officer of Purchaser, (vi) disclose any intention, plan or arrangement prohibited by, or inconsistent with, the foregoing, or (vii) advise, assist or encourage or enter into any discussions, negotiations, agreements or arrangements with any other persons in connection with the foregoing. The undersigned further agrees that during the Standstill Period none of such parties (nor any person acting on behalf of or in concert with such parties) will, without the written consent of Purchaser, (x) request Purchaser or any of its representatives, directly or indirectly, to amend or waive any provision of this paragraph (including this sentence), or (y) take any action that might require Purchaser to make a public announcement regarding the possibility of a business combination, merger or other type of transaction described in this paragraph with such party.

The undersigned acknowledges that (a) Planet 13 may impose stock transfer restrictions on the Undersigned's Securities (including without limitation placing restrictive legends on the Purchaser Stock indicating that such securities are subject to this Agreement) to enforce the provisions of this Agreement and (b) the restrictions imposed by this Agreement are in addition to any other restrictions imposed on the Undersigned's Securities pursuant to any other agreement in effect with the undersigned or pursuant to applicable law, including United States and Canadian securities laws and any resale restrictions imposed thereby and legends required thereby and under the Representation Letter delivered by the undersigned to Planet 13 on or prior to the date hereof (the "Undersigned Representation Letter").



The undersigned agrees that it is hereby bound by and, except as permitted under Section 6.12 of the Purchase Agreement, shall cause its Permitted Transferees to abide by this Agreement, and hereby represents and warrants to Planet 13 that the representations and warranties in the Undersigned Representation Letter are true and correct as of the date of this Agreement and as of each date the undersigned received or will receive Purchaser Stock pursuant to the terms of the Purchase Agreement. The undersigned covenants and agrees to comply with all U.S. federal or state securities laws, applicable Canadian Securities Laws and any applicable securities laws of any other nation applicable to the undersigned in connection with the acquisition, holding and any transfer of Purchaser Stock.

The undersigned further agrees that, prior to engaging in any transaction or taking any other action that is prohibited by the terms of this Agreement during the Lock-Up Period, it will give notice thereof to Planet 13 in accordance with Section 11.3 of the Purchase Agreement and will not consummate such transaction or take any such action unless it has received either written consent of Planet 13 or written confirmation from Planet 13 that the Lock-Up Period has expired.

In furtherance of the foregoing, Planet 13 and its transfer agent and registrar are hereby authorized to decline to make any transfer of shares of Purchaser Stock if such transfer would constitute a violation or breach of this Agreement and/or applicable law.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Agreement, that upon request, the undersigned will execute any additional documents reasonably necessary to ensure the validity or enforcement of this Agreement and that the undersigned is not a resident of Canada. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

The undersigned understands the undersigned shall be released from all obligations under this Agreement if (i) no Purchaser Stock become due and issuable in accordance with the Purchase Agreement; or (ii) the Purchase Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to the delivery of the Purchaser Stock to be issued thereunder. The undersigned understands that Planet 13 is entering into the Purchase Agreement and Planet 13 is proceeding with the Issuance in reliance upon this Agreement. Planet 13 is an intended third-party beneficiary of this Agreement.

The undersigned hereto agrees that any breach by it of any provision of this Agreement would irreparably injure Planet 13 and that money damages would be an inadequate remedy therefor. Accordingly, each party hereto agrees that Planet 13 shall be entitled to one or more injunctions enjoining any such breach and requiring specific performance of this Agreement and consents to the entry thereof, in addition to any other remedy to which Planet 13 is entitled at law or in equity. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada.

Very truly yours,

---

Printed Name of Holder

---

Signature

---

Printed Name & Title of Person Signing  
*(if signing as a custodian, trustee, or on behalf of an entity)*

**DIRECTOR NOMINATION AGREEMENT**

This Director Nomination Agreement (this “Agreement”) is made as of May 10, 2024 by and among Planet 13 Holdings Inc., a Nevada corporation (the “Purchaser”) and Loop’s Dispensaries, LLC (“Dispensaries”).

**RECITALS**

**WHEREAS**, the Purchaser, Dispensaries, Ray of Hope 4 Florida, LLC (“Ray of Hope”) and Loops Nursery & Greenhouses, Inc. (“Nursery”) and together with Ray of Hope and Dispensaries, the “Sellers”) are parties to that certain Membership Interest Purchase Agreement, dated as of August 28, 2023, by and among the Purchaser, VidaCann, LLC, a Florida limited liability company and the Sellers (as amended, restated or otherwise modified from time to time and together with all exhibits, schedules, and other attachments thereto, the “Purchase Agreement”), pursuant to which, and subject to the terms and conditions contained therein, the Purchaser has agreed to issue to the Sellers or the Seller Owners (as defined in the Purchase Agreement), as applicable, at the closing under the Purchase Agreement, shares of the Purchaser’s common stock, no par value per share (the “Common Stock”); and

**WHEREAS**, the Purchaser and Dispensaries desire to enter into this Agreement in order to generally set forth their respective rights and responsibilities, and to establish various arrangements and restrictions with respect to the board nomination rights of Dispensaries and other related matters.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I  
DEFINITIONS**

Section 1.01 Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Affiliate” with respect to any party to this Agreement, means any Person directly or indirectly controlled by, controlling, or under common control with, such party, including any subsidiary of such party and any “affiliate” of such party within the meaning of Rule 12b-2 of the Exchange Act. As used in this definition, “control” means possession, directly or indirectly, of the power to direct or cause the direction of management, policies, or action through ownership of voting securities, contract, voting trust, or membership in management or in the group appointing or electing management or otherwise through formal or informal arrangements or business relationships. The terms “controlled by,” “controlling,” and other derivatives shall be construed accordingly.

“Agreement” has the meaning set forth in the Preamble.

“Articles of Incorporation” means the Articles of Incorporation of the Purchaser (as may be amended from time to time.)

“Board” means the board of directors of the Purchaser.

“Bylaws” means the Bylaws of the Purchaser (as may be amended from time to time).

“Dispensaries” has the meaning set forth in the Preamble.

“Dispensaries Nominee” has the meaning set forth in Section 2.01(a).

“Effective Date” has the meaning set forth in Section 2.01(a).

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

“Governmental Body” means any (a) nation, state, county, city, town, village, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal); (d) multi-national organization or body or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

“Legal Requirements” means any federal, state, local, municipal, foreign, international or multinational law, Order, constitution, ordinance or rule, including rules of common law, regulation, statute, treaty or other legally enforceable directive or requirement including the policies and requirements of any stock exchange or stock quotation system, including the Canadian Securities Exchange.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Body or by any arbitrator.

“Person” means any individual, corporation, firm, partnership, joint venture, limited liability Purchaser, estate, trust, business association, organization, any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof or other entity, and also includes any managed investment account.

“Purchase Agreement” has the meaning set forth in the recitals.

“Purchaser” has the meaning set forth in the Preamble.

“Securities Act” shall mean the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

“SEC” means the U.S. Securities and Exchange Commission.

“Seller” has the meaning set forth in the Preamble.

**ARTICLE II**  
**BOARD RIGHTS**

Section 2.01 Board Designee.

(a) From the next business day following the 2024 annual meeting of stockholders of the Purchaser (the "Effective Date") and until the first anniversary of the Effective Date (the "Nomination Period"), Dispensaries shall have the right to designate one director to the Board (the "Dispensaries Nominee"). The Board shall appoint the Dispensaries Nominee, and, subject to Sections 2.01(c) and 2.01(e), take all actions necessary or appropriate to allow for the appointment of the Dispensaries Nominee and to appoint the Dispensaries Nominee so selected as promptly as reasonably practicable as a director of the Board, effective as of the Effective Date.

(b) After the Nomination Period ends, if requested by the Board, Dispensaries shall cause the Dispensaries Nominee to offer his or her resignation as a director, and Dispensaries shall no longer have any rights under this Agreement with respect to the Dispensaries Nominee.

(c) In addition to requirements set forth above, the Dispensaries Nominee: (x) must meet in all material respects all of the requirements of a director of the Purchaser, including, but not limited to, any requirements under the Articles of Incorporation or Bylaws and (y) must not be prohibited from or disqualified from serving as a director of the Purchaser pursuant to any Legal Requirements or rule or regulation of the SEC, the principal U.S. national securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Stock is then traded including the Canadian Securities Exchange. Notwithstanding anything to the contrary in this Section 2.01, the parties hereto agree that the Board shall retain the right to object to the nomination, election or appointment of any Dispensaries Nominee for service on the Board or any committee of the Board if the Board determines in good faith, after consultation with its outside legal counsel, that such Dispensaries Nominee fails to meet the criteria set forth above or that such nomination, election or appointment would be inconsistent with the Board's fiduciary duty under Legal Requirements. In the event that the Board objects to the nomination, election or appointment of any Dispensaries Nominee to the Board pursuant to the terms of this Section 2.01, the Board shall nominate or appoint, as applicable, another individual designated by Dispensaries who meets the criteria set forth in this Section 2.01.

(d) Subject to Section 2.01(e), during the Nomination Period, the Purchaser shall take all actions (to the extent such actions are permitted by Legal Requirements) to (i) include the Dispensaries Nominee in the slate of director nominees for election by the Purchaser's stockholders at each of the Purchaser's subsequent annual meetings of stockholders following the Effective Date and (ii) include each Dispensaries Nominee in the proxy statement prepared by the Purchaser in connection with soliciting proxies for every meeting of the stockholders of the Purchaser called with respect to the election of members of the Board at each subsequent annual or special meeting following the Effective Date, and at every adjournment or postponement thereof, and on every action or approval by written consent of the Board with respect to the election of members of the Board following the Effective Date. The Board shall recommend that the holders of Common Stock entitled to vote for directors, as applicable, vote in favor of any such Dispensaries Nominee's election and shall support the Dispensaries Nominee in the same manner

in which the Board and the Purchaser supports other director nominees, unless the Board determines in good faith, after consultation with outside counsel, that such recommendation and support would be inconsistent with the Board's fiduciary duty under applicable Legal Requirements. Without the prior written consent of Dispensaries which shall not be unreasonably withheld, so long as Dispensaries is entitled to designate any Dispensaries Nominee for election to the Board in accordance with this Section 2.01, the Board shall not remove any Dispensaries Nominee from his or her directorship (except as required by Legal Requirements, the Articles of Incorporation, the Bylaws or otherwise provided by the terms, conditions and provisions of this Agreement).

(e) The Purchaser's obligations pursuant to Section 2.01(a) and Section 2.01(d) shall be subject to the Dispensaries Nominee providing the following: (i) any information that is required (x) to be disclosed in any filing or report, (y) in connection with determining the independence status of the Dispensaries Nominee under (A) the listing standards of the principal U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Stock is then traded including the Canadian Securities Exchange or (z) under applicable Legal Requirements, including, without limitation, in connection with Legal Requirements related to the Purchaser's or any of its Affiliates' cannabis licenses; (ii) any information reasonably requested by the Purchaser to otherwise fulfill its obligations under Section 2.01(a) and Section 2.01(d); and (iii) if required by applicable Legal Requirements, such individual's written consent to being named in a proxy statement as a nominee and to serving as director if elected.

(f) Subject to Section 2.01(a), if a Dispensaries Nominee is not appointed, nominated or elected to the Board because of such person's death, disability, disqualification, withdrawal as a nominee or for any other reason, (i) Dispensaries shall be entitled to designate another designee following the failure of such Dispensaries Nominee to be appointed, nominated or elected to the Board, (ii) the director position for which the original Dispensaries Nominee was nominated, appointed or elected shall remain vacant until another Dispensaries Nominee designated by Dispensaries pursuant to clause (i) of this Section 2.01(f) is appointed or elected to such position and (iii) the Board shall promptly fill the vacancy with such successor as directed by Dispensaries, it being understood that any such successor designee shall serve the remainder of the term of the Dispensaries Nominee whom such designee replaces in accordance with the Articles of Incorporation and Bylaws. Any vacancy in the office of a Dispensaries Nominee shall be filled only by the written consent of Dispensaries.

(g) Notwithstanding anything to the contrary in this Agreement, the Sellers shall cause any Dispensaries Nominee to resign from the Board and any committees thereof if any such Dispensaries Nominee, as determined by the Board in good faith after consultation with outside legal counsel, is prohibited or disqualified from serving as a director of the Purchaser or a member of any such committees under any Legal Requirements or rule or regulation of the SEC, the principal U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Stock is then traded including the Canadian Securities Exchange or by any other applicable law; provided, however, that, subject to the limitations set forth in this Section 2.01, the Sellers shall have the right to replace such resigning

Dispensaries Nominee with a new Dispensaries Nominee, such newly named Dispensaries Nominee to be appointed promptly to the Board in place of the resigning Dispensaries Nominee in the manner set forth in the Articles of Incorporation and Bylaws for filling vacancies on the Board. Nothing in this Agreement shall confer any third-party beneficiary or other rights upon any person designated hereunder as a Dispensaries Nominee, whether during or after such person's service on the Board.

(h) Dispensaries shall select a Dispensaries Nominee with a view to ensuring that the Dispensaries Nominee has the skills and experience reasonably expected to serve as a director of the Purchaser and to contribute positively to the Board's governance and oversight of the Purchaser.

Section 2.02 Compensation: Reimbursement of Expenses. The parties hereto agree that the Dispensaries Nominee shall be entitled to, unless such Dispensaries Nominee is an employee of the Purchaser, compensation from the Purchaser in connection with his or her service as a director of the Board to the same extent as the Purchaser provides any such compensation to the other non-employee members of the Board.

Section 2.03 Regulatory Matters and Policies. Dispensaries acknowledges that the Dispensaries Nominee will be subject to any provisions of Article 11 (Regulatory Matters) of the Articles of Incorporation that relate to members of the Board. Except as otherwise provided in the Articles of Incorporation or the Bylaws, Dispensaries also acknowledges that the Dispensaries Nominee will be subject to (i) all applicable corporate governance, conflict of interest, confidentiality, majority voting and insider trading policies and other policies and guidelines of the Purchaser, each as approved by the Board from time to time to the extent such policies and guidelines are applicable to all non-executive directors; and (ii) the policies and requirements of the principal U.S. national securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Stock is then traded including the Canadian Securities Exchange

Section 2.04 Standstill. Except as otherwise expressly provided for herein, until the termination of this Agreement pursuant to Section 3.01, Dispensaries will not, in any manner, and will cause its Affiliates not to in any manner, directly or indirectly, whether individually or with any other Person, without the express prior written consent of the Purchaser:

- (a) take any action to seek to control or influence the management, Board or policies of the Purchaser;
- (b) solicit proxies from stockholders of the Purchaser or form, join or in any way participate in a group to solicit proxies in connection with a meeting of stockholders of the Purchaser;
- (c) acquire or agree to acquire or make any proposal or offer to acquire, directly or indirectly in any manner, any securities of the Purchaser or any of its subsidiaries or any material portion of the assets of the Purchaser;
- (d) commence a take-over bid for any securities of the Purchaser; or

(e) assist, advise or encourage any other Person to take an action that would, if taken by such Person, violate any of (a) to (d) (inclusive) herein.

**ARTICLE III  
TERMINATION**

Section 3.01 Termination. Except for Section 2.02, this Article III and Article IV, which shall each survive any termination of this Agreement, this Agreement, and all of the rights and obligations set forth herein, shall terminate and be of no further force or effect on the first anniversary of the Effective Date.

**ARTICLE IV  
MISCELLANEOUS**

Section 4.01 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) when received by the addressee if sent via electronic mail (with written confirmation of receipt). Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 4.01):

(a) if to the Purchaser, to:

Planet 13 Holdings Inc.  
2548 West Desert Inn Road, Suite 100  
Las Vegas, Nevada 89109  
Attention: Tatev Oganyan  
E-mail: [PERSONAL INFORMATION OMITTED]

With copies (which shall not constitute notice) to:

Cozen O'Connor, P.C.  
One Liberty Place  
1650 Market Street, Suite 2800  
Philadelphia, PA 19103  
Attention: Joseph C. Bedwick, Esq.  
E-mail: jbedwick@cozen.com

(b) if to Dispensaries, to:

David Loop  
4844 Racetrack Toad  
St. Johns, FL 32259  
Email: [PERSONAL INFORMATION OMITTED]



With copies (which shall not constitute notice) to:

Cobb Cole, P.A.  
149 S. Ridgewood Avenue, Suite 700  
Daytona Beach, FL 32114  
Attn: John P. Ferguson, Esq.  
Email: john.ferguson@cobbcole.com

Section 4.02 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable.

Section 4.03 Counterparts. This Agreement may be executed and delivered (including by e-mail transmission) in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

Section 4.04 Entire Agreement. This Agreement (together with the Purchase Agreement) (a) constitutes the entire agreement and supersedes all other prior agreements, both written and oral, among the parties with respect to the subject matter hereof and (b) is not intended to confer upon any Person, other than the parties hereto, any rights or remedies hereunder.

Section 4.05 Further Assurances. Each party shall execute, deliver, acknowledge and file such other documents and take such further actions as may be reasonably requested from time to time by the other parties hereto to give effect to and carry out the transactions contemplated herein.

Section 4.06 Governing Law; Jurisdiction; Services of Process; Jury Waiver.

(a) This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Nevada without giving effect to any choice or conflict of Legal Requirements (whether of the State of Nevada or any other jurisdiction) that would cause the application of Legal Requirements of any jurisdiction other than those of the State of Nevada.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF NEVADA OR THE STATE COURTS OF NEVADA, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.06(c).

Section 4.07 Amendments; Waivers.

(a) No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed, in the case of an amendment, by the parties hereto, or, in the case of a waiver, by each of the parties against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

Section 4.08 Public Filings. The parties hereby consent to the public filing of this Agreement if any party is required to do so by applicable Legal Requirements.

Section 4.09 Independent Legal Advice. Each of the parties acknowledges that it has read and understands the provisions of this Agreement and acknowledges and agrees that it has had the opportunity to seek, and were not prevented or discouraged by any other Person from seeking, any independent legal advice which it considered necessary before the execution and delivery of this Agreement and that, if it did not avail itself of that opportunity before signing this Agreement, it did so voluntarily without any undue pressure, and agrees that its failure to obtain independent legal advice will not be used by it as a defense to the enforcement of its obligations under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered, all as of the date first set forth above.

**Purchaser:**

**PLANET 13 HOLDINGS INC.**

By: /s/ Robert Groesbeck

Name: Robert Groesbeck

Title: Co-CEO

By: /s/ Larry Scheffler

Name: Larry Scheffler

Title: Co-CEO

**Dispensaries:**

**LOOP'S DISPENSARIES LLC**

By: /s/ David Loop

Name: David Loop

Title: Manager



### Planet 13 Closes Acquisition of VidaCann

Las Vegas, Nevada – May 10, 2024 - Planet 13 Holdings Inc. (CSE: PLTH) (OTCQX: PLNH) (“Planet 13” or the “Company”), a leading vertically-integrated multi-state cannabis company, today announced the closing on May 10, 2024 of its previously announced acquisition of VidaCann, LLC (“VidaCann”), following the previously announced approval from the Florida Office of Medical Marijuana Use on April 26, 2024 and sale of 100% of the equity interests in Planet 13 Florida, Inc. on May 6, 2024.

The Company acquired VidaCann from the sellers who held all of the membership interests in VidaCann (collectively, the “Sellers”) in exchange for: (i) 81,872,252 shares of common stock of Planet 13 (the “Share Consideration”); (ii) approximately US\$4 million in cash; and (iii) US\$5 million in aggregate principal amount of promissory notes, subject to adjustments under the definitive agreement. Based on the closing price of the Company’s common stock of (CAD\$0.9100) US\$0.6647 as of May 9, 2024 on the Canadian Securities Exchange (based on the Bank of Canada CAD to USD exchange rate on May 9, 2024 of CAD\$1.00=US\$0.7304), the total consideration is valued at approximately US\$63.4 million. As contemplated by the definitive agreement, VidaCann continued to have US\$3 million of bank indebtedness and US\$1.5 million of related party notes to former VidaCann managers at the time of closing, which were assumed by the Company. The Seller of the majority interest in VidaCann also has the right to nominate a director to the Company’s board of directors effective the next business day following the Company’s 2024 annual meeting of stockholders in June. The Seller has selected David Loop, the former Chief Executive Officer of VidaCann, as its board nominee.

All shares issued by the Company are subject to resale restrictions under applicable U.S. and Canadian securities laws and 1,307,698 of the shares comprising the Share Consideration was issued to VidaCann’s industry advisor and is subject to a four-month and one day hold period under Canadian securities laws. Furthermore, each Seller and each equityholder of a Seller that held over 5% in direct or indirect interest in VidaCann is subject to a lock-up agreement restricting trading of the aggregate 29,995,124 shares of the Share Consideration received by them, with the release of one-third of the shares from such restrictions six months following closing and each subsequent six months thereafter.

“We are thrilled to welcome the VidaCann team to the Planet 13 family,” said Bob Groesbeck, Co-CEO of Planet 13. “This acquisition marks an important moment for our Company, as we leverage VidaCann’s established footprint and reputation, adding 26 stores to our portfolio to enhance our retail offering in Florida. We look forward to integrating our award-winning brands and retail expertise to drive growth and deliver unparalleled experiences to our customers.”

Planet 13 intends to further elevate VidaCann’s success in Florida by introducing indoor cultivation to diversify product offerings at VidaCann stores. The Company expects to bring its Nevada brands to Florida with the goal of improving per-store economics. In addition to potentially enhancing per-store revenue generation, the Company expects to selectively add stores to round out coverage of VidaCann’s network, and potentially add SuperStores to tier-one tourist destinations based on adult-use legislation.

## About Planet 13

Planet 13 (<https://planet13.com/investors/>) is a vertically integrated cannabis company, with award-winning cultivation, production and dispensary operations across its locations in California, Nevada, Illinois, and upcoming sites in Florida. Home to the nation's largest dispensary located just off The Strip in Las Vegas, Planet 13 continues to expand its footprint. With the recent debut of its first consumption lounge in Las Vegas, DAZED!, and the opening of its first Illinois dispensary in Waukegan, bringing unparalleled cannabis experiences to the Chicago metro area, Planet 13's mission is to build a recognizable global brand known for world-class dispensary operations and innovative cannabis products. Licensed cannabis activity is legal in the states Planet 13 operates in but remains illegal under U.S. federal law. Planet 13's shares trade on the Canadian Securities Exchange (CSE) under the symbol PLTH and are quoted on the OTCQX under the symbol PLNH.

### **Cautionary Note Regarding Forward-Looking Information**

*This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. All statements, other than statements of historical fact, are forward-looking statements and are often, but not always, identified by phrases such "plans", "expects", "proposed", "may", "could", "would", "intends", "anticipates", or "believes", "potential" or variations of such words and phrases. In this news release, forward-looking statements relate to the Company's integration of the business of VidaCann, the anticipated benefits to Planet 13 of the VidaCann acquisition, the Company's strategic and expansion plans and expectations regarding the growth of the Florida cannabis market, and the Company's expectations for future financial performance. Such forward-looking statements reflect what management of the Company believes, or believed at the time, to be reasonable assumptions and accordingly readers are cautioned not to place undue reliance upon such forward-looking statements and that actual results may vary from such forward-looking statements. These assumptions, risks and uncertainties which may cause actual results to differ include, among others, the Company's ability to successfully integrate the business of VidaCann and realize the anticipated benefits of the VidaCann acquisition and those assumptions, risks and uncertainties discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and any of the Company's subsequent periodic reports filed with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Forward-looking statements contained herein are made only as of the date of this news release and we assume no obligation to update or revise any forward-looking statements should they change, except as required by law. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

### **For further inquiries, please contact:**

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